

MINUTES
Board of Forestry Meeting
Monday-Tuesday, December 13-14, 2010
Atwood Building, Anchorage, Alaska

Monday, December 13

Call to Order and Roll Call. Chairman Maisch called the meeting to order at 8:05 a.m. Juneau and Fairbanks teleconference rooms were connected. All board members were present: Rob Bosworth, Jeff Foley, Erin McLarnon, Matt Cronin, Mark Vinsel, Ron Wolfe, and Eric Nichols. Wayne Nicolls arrived 8:20

Public Meeting Notice. The meeting was noticed by issuing public service announcements and press releases, mailing announcements to interested parties, and posting a notice on the state and Department of Natural Resources (DNR) websites. *(See handout)*

Approval of agenda. *(See handout)* The agenda was unanimously approved with the addition of visits by John Sturgeon, Commissioner Sullivan, and Deputy Commissioner Fogels. Maisch noted that NRCS head Bob Jones was unable to attend, but Maisch recently spent time with NRCS in D.C. and can report on key issues.

Approval of Minutes. The Board reviewed and unanimously approved the August 23-25, 2010 minutes with corrections to meeting dates. *(See handout)*.

Announcements. Maisch reported that the Superior Pellet Mill near Fairbanks is now operating, and the Tok School boiler was lit on November 1. Kevin Hanley, DEC, noted that there was a public radio story on the Tok boiler. Maisch added that there were also on-line and print stories. Wolfe announced that the Sealaska office building is now heating with wood pellets.

Marty Freeman, DOF, reported that the lumber grading presentation by Dr. Allen Brackley has been approved for 1.5 hours of continuing education credit by the Society of American Foresters (SAF). SAF members who wish to receive credit should sign in with Freeman.

Freeman announced that the Attorney General signed the adoption order and the Lieutenant Governor filed the amendments to the ethics regulations. They will be effective on December 22, 2010. A copy of the regulations with the new provisions is the Board packet.

Maisch announced that Dan Sullivan is the new commissioner at DNR. Joe Balash and Ed Fogels are the new deputy commissioners. Both deputies are familiar faces. Fogels was the acting deputy commissioner under Commissioner Menge, and has been the head of the DNR Office of Project Management and Permitting, which oversees large permitting processes such as those for Pebble Mine and Kensington Mine. Balash was the special assistant for DNR under Governor Palin, and has worked on gas line issues the last two years. Governor Parnell accepted resignations from the DNR directors for the Division of Mining, Land, and Water (DMLW) and the Division of Parks and Outdoor Recreation. No replacements have been announced. Other directors will meet with the new commissioner before final decisions are made on their positions.

Kerry Howard, ADF&G, announced that Cora Campbell is Acting ADF&G Commissioner. The ADF&G commissioner appointment must go through the boards of Fish and Game; Cora Campbell and Ron Somerville are applicants for selection. Pat Valkenburg retired from the Deputy Commissioner position,

and has been replaced by Craig Fleenor, the former Subsistence Division director. Kelly Hepler is staying as the ADF&G Assistant Commissioner and chief of staff for Cora. The Administrative Services director retired and was replaced by Kevin Brooks who previously held the position prior to working for the Department of Administration. Sue Aspelund is Acting Commercial Fisheries Division director.

Cindy Gilder, DEC, said that DEC Commissioner Hartig is staying. The Administrative Services Division director is retiring and there is no replacement yet. No other directors have changed at this time.

Bosworth asked if any positions are moving to Juneau. Maisch said there are none known in the resources departments. Cronin asked whether there is any change at Division of Agriculture. Maisch said there is no change at this point.

Old Business

FY12 FRPA Budgets

Division of Forestry. Maisch reported on the FY12 Forest Management and Best Practices initiative (*see handout*). The Governor has not announced the final budget for this year, but at this time, it looks promising for this proposal. The proposal bundles increment needs for DOF road maintenance, reforestation, pre-commercial thinning, and the FRPA inspection and field program. DOF has previously tried to get funding for these items separately with limited success.

Some Region III FRPA compliance scores for road maintenance declined in 2009. DOF manages substantial road systems in the State Forests and on the Kenai Peninsula. None of the blocked streams empty in to fish streams, but DOF is still not pleased with potential water quality impacts. If the increment request is not successful, DOF will look at roads for closure. That would be controversial, but DOF has to ensure that FRPA is applied on state land as well or better on than on private land. A lot of DOF road use is public use for personal use firewood harvesting. Gates are ineffective for controlling access.

Most past reforestation and pre-commercial thinning was CIP-funded. DOF wants an increment to have operating funds for these ongoing activities. DOF successfully used American Recovery and Reinvestment Act (ARRA) funds for thinning, but still has thinning needs. Some areas in need of thinning were acquired from the USFS after harvesting. Wolfe would like an update on the backlog on pre-commercial thinning needs on state land, and the progress made with the ARRA funds. Maisch noted that federal Section 319 funds for FRPA disappear in FY12, which affects DOF and especially the ADF&G Habitat Division. The increment request allows DOF to transfer some of the funds to ADF&G for FRPA work.

Bosworth asked about the rationale, priorities, and constraints for state reforestation activities. Maisch replied that there is a major need for restoration after spruce bark beetle mortality on the Kenai Peninsula, but there are also ongoing operational needs in the interior following spruce harvest due to competition from grass. In southeast, the need isn't for planting unless you are trying to increase the proportion of spruce. DOF does plant in Haines to increase proportion of spruce.

Wolfe commented that in times past, the northern part of the Division did a good job of connecting with nursery growers and getting good stock. Maisch agreed that it's a good program, but it is small, and comes and goes with capital improvement project (CIP) funding. Spruce is what DOF replants; hardwoods usually regenerate well on their own. Wolfe stated that researchers Newton and Cole compared nurseries, and found that Canadian nurseries were outperforming U.S nurseries. Maisch observed that the state nursery closed years ago; it wasn't competitive. DOF now uses Canadian

nurseries. The Division procures seedlings from private sector and planting is all done by the private sector. Interior planting is now largely done by a local operator who hires seasonal planters. DOF does the seed collection. Seeds are stored and tested for viability at the state Plant Materials Center. DOF uses a shorter, fatter container than in the past. Containers are lined with a compound that encourages roots to self-prune. The Alaska state nursery quality control wasn't as good – we see better first-season growth with the seedlings from Canada.

Habitat Division. Howard said that the Habitat Division has been using 319 funds to do FRPA work. The end of Section 319 funding will be a 60% decrease to the ADF&G FRPA budget. The amount of funding received from the DOF increment request will determine the amount of work that ADF&G can do. Participation by all three agencies is needed to ensure a strong FRPA. FY11 funding paid a portion of 21 salaries statewide. These positions reviewed 157 forest-related documents, including FRPA documents, ACMP documents, federal NEPA documents, and state Forest Land Use Plans. The Habitat Division issued 112 fish habitat permits issued to ensure fish passage on forestry-related projects. ADF&G also participated in 107 FRPA inspections over all ownerships. ADF&G inspectors verify fish passage, nominate waters to the catalog, and participate in training and other forestry meetings. These benefits will diminish in proportion to the loss of funds. FRPA is one of the top five priorities for the Habitat Division. Howard provided a *handout* of FRPA fund use by line item. In FY11, Habitat had \$85,000 in Section 319 funds, and \$56,000 in GF. The lion's share is in personal services, with the second biggest expenditure for travel.

Maisch said that the good news is that something will likely be included in the Governor's budget, and there may be an opportunity for the Board to lobby in support of the increment.

Cronin asked whether the increment suggests that General Funds replace Section 319 funds that are going away. Maisch replied that the Section 319 funds replaced General Fund money previously when state funds were cut; this increment makes up some of the original loss. Cronin asked whether it would fund FRPA work. Maisch said yes. Cronin asked whether DOF can document increased receipts. Maisch said that the FRPA work funded by the increment would be primarily on private land, which doesn't yield receipts to the state. This is the program that provides public assurance that the Act is enforced through inspections, variations, violations, and DPO reviews. There is some spillover onto public land, because the state also complies with these standards. The three-agency concept is important because each agency gets due deference for their areas of expertise, and then it's not just DOF inspecting itself on state land.

Nicolls asked whether the request identifies the economics of the private land sales. Maisch said no. Wolfe suggested that it's important that the agencies remind the legislators about the principles of the FRPA, and why it's important for the three agencies to have a presence. He asked whether there should be a report about how this presence fosters Sealaska's business and Nichols' business. This request should take a different approach; it's not just replacing lost funds. Maisch welcomed the chance to work with the Board to testify from the varied perspectives. The case will be stronger if it comes from others. The state agencies will present the increment, but DOF needs to put together a team to make the case.

Bosworth observed that Howard reported that Habitat gets involved in fish passage. How big a program is that? He would like a briefing. Howard replied that one of the Habitat Division's key responsibilities is permitting for fish passage (.841) and anadromous waters (.871). The Division issues about 3,600/year. In FY10, 112 of these permits were specific to timber-related work. Permitting is the biggest share of Habitat Division work. Bosworth asked whether statistics are broken out for culverts vs. bridges. Howard replied that she probably has those statistics and could bring for a future meeting. Maisch added that DOF will provide an update on the road condition survey process. The good news is that DOF and ADF&G received funding to expanding that effort to the Kenai Peninsula. Those surveys look at culverts and bridges. Bosworth recognized that there's been some great work. Wolfe stated that there is a

nexus between FRPA and .841/.871 permitting, and the strong results show few problems with fish passage. Those are good sound bites for making the case for the budget increment.

Cronin asked about the comment that road closures are hard to enforce. He sees the same thing on Prince of Wales Island. The Board could brainstorm on this – it shouldn't be rocket science.

Vinsel suggested that communications to the legislature highlight that changes over the last ten years include a much higher demand for personal use wood. That should resonate with legislators – they certainly get charged up about fish for personal use. Maisch concurred, it's of great interest to legislators in the Fairbanks and Mat-Su areas particularly, and wood burning ties into air quality, which Fairbanks has to deal with on a big scale. Howard said that ADF&G will work closely with DOF on the budget proposal.

Division of Water. Cindy Gilder, DEC, confirmed that federal Section 319 dollars are going down. DEC saw a significant decrease in the ACWA grant program in FY11 – a decline from 600.0 to 300.0 for ACWA grants. She expects about the same level of grant funding for FY12. The projected decline in federal funding has become a reality. Maisch asked whether the main DEC activity for FRPA is review of Detailed Plans of Operation and Forest Land Use Plans, and reviews of federal actions. Hanley said yes.

2011 legislation. Maisch reported that proposed legislation would add approximately 23,000 acres to the 25,000-acre Southeast State Forest established last year (*see handouts*). This is just a proposal; DOF needs to do a lot of additional public outreach. It would be Governor's Office legislation. The proposed additions are state-owned lands designated for General Use that were previously addressed in southeast area plans, managed for forestry, and included in the annual allowable cut. As we move land into second growth and do pre-commercial thinning, we will be able to increase the annual allowable cut, and start to be a more significant supply for local mills. The bill would put existing parcels into a designated land base, including some parcels that were previously in the university land settlement. These parcels were returned to DNR after the court invalidated the university settlement legislation. Some parcels were originally selected for disposal. Needs have changed, and some are now available for putting in a dedicated land base. The bill allows the Wrangell Borough to select land in the State Forest to fulfill their entitlement. DOF has tried to avoid any problems with potential borough selections. Rick Rogers, DOF, reported that five of the 23 proposed parcels were in the university settlement, about 20% of the acreage.

Maisch added that the 985-acre Hook Arm parcel is just selected land at present, but it is a high priority for transfer to the state. It has very good timber resources in the preliminary assessment. DOF wants to do an on-the-ground evaluation. Wolfe commented that Sealaska may want to discuss the Hook Arm parcel.

Maisch said that this is the first public distribution of maps for the proposal. He has spoken in general terms about the legislation with the Southeast Conference and Tongass Futures Roundtable. He will meet again with the Southeast Conference to do a detailed briefing, and then meet with communities. DOF will take the time needed to do thorough vetting with interest groups. He would like to engage the Board's help if they are supportive.

Bosworth observed that there is likely to be some confusion between state, university, and Sealaska land issues in Southeast. We need to do as much as we can do to clarify the distinctions. Maisch concurred. There are other southeast land actions in play with the Sealaska legislation, Mental Health Trust land exchange, and landless Natives interests. We need to differentiate this from the other initiatives. This is the only state legislation. Bosworth said he wasn't sure whether it's best to suggest that the land proposals are coordinated or that there are independent objectives. In the last round of land additions to

the State Forest, there were procedures included to get the proposal out to the public and there was some dissatisfaction that it wasn't enough. He urged that there be a strong public process.

Cronin asked whether subdivisions shown on the parcel maps are developed or just plotted. Maisch said they are areas that have been planned and developed by DMLW, but not all lots have been sold. There are some other lands classified for settlement that have not yet been offered for sale. The maps show lot boundaries and platted roads; not all are constructed. DOF has worked closely with DMLW to make sure their concerns are addressed. DOF has consulted with ADF&G to address their concerns on the parcels – this is a consensus proposal for these agencies.

Nichols asked if the key element is that these lands won't be available for disposal since they are already managed for timber. Maisch said yes, this would make a long-term commitment to forest management of these lands, including pre-commercial thinning. We don't want to invest in pre-commercial thinning on land that could be sold or transferred to a different entity.

Bosworth asked whether we can say that the goal is to use these for local economic development versus other commercial development as we did in the last bill. Maisch said that the Governor's Office goal is to support the communities and their economy. It will be a mix of activities that keep them going, including both domestic manufacture and export. As we move into young growth, it remains to be seen whether smaller logs will be competitive for export. Nichols said that would be a long discussion. The increase in wood consumption in China is great; the question is how long it will continue. Some hemlock sorts in China have higher value than some spruce sorts.

Nicolls asked about inventory for these parcels. Maisch explained that DOF is required to develop a State Forest management plan. The timber inventory was updated on most of these lands about 18 months ago. There are some exceptions, such as the Hook Arm parcel, which will need to be added.

Nichols asked whether designating lands as State Forest affects road maintenance costs. Maisch replied that it will help with planning and maintenance by having management authority in DOF, with the ability to plan long-term infrastructure. It is also important for contributing to the wood supply in southeast. Part of DOF's long-term goal is developing a series of state forests statewide that can help support biomass options.

Wolfe asked whether parcels from the university settlement were controversial. Maisch responded that DOF did an internal paper that reviewed each parcel. The controversy level varies by interest group. DOF tried to avoid parcels that we knew would be problems. This land was in area plans and available for forest use, and has now come back to the state.

McLarnon stated that from a recreational perspective we'd rather have it in forestry management than university management. Maisch emphasized that State Forest lands are multiple use lands, and available for recreation. Management is not as restrictive as on park lands, especially for motorized recreation on road systems. There is quite a trail system on State Forest land, and the state could do more advertising it.

Wolfe reiterated that clarifying the relationship of this bill to the university lands bill and other legislation is important. The quicker you can get the word out the better; nothing spreads faster than a rumor. Maisch agreed. DOF is launching outreach efforts this week. Maisch will speak directly to the Southeast Alaska Conservation Council (SEACC), and will be glad to talk directly with any groups. The Administration said at the end of the last session that they are not interested in pursuing another university land settlement. However, there is a new University of Alaska president. DOF has been keeping the university briefed to prevent any problems.

Rogers listed the parcels that were in the university settlement: Thorne Bay South, Port Dolores, Hook Arm, Leask Cove, and Earl West Cove. Sunny Cove was dropped due to Wrangell Borough interest.

Cronin asked whether the university can sell land – is there any amount they have to keep? Maisch answered that they can sell the land, they are not required to retain it. The university settlement would have increased the university land grant. Freeman said that the exception was land with the Tanana Valley State Forest (TVSF). Under the settlement bill, the university had to retain that land unless they went through a specific process. Maisch noted that the TVSF parcel is the only one that didn't come back to the state when the university settlement bill was invalidated. The TVSF parcel was the only one not selected for revenue generation, and ironically that was the only parcel that the university didn't want to obtain.

Maisch said that the Board was very helpful in passage of the original Southeast State Forest bill, and he hopes to have Board's support again. He doesn't know yet when the proposal will be introduced to the legislature.

Cronin asked for copies of the area plans. Freeman will send the link to the area plans on-line. Moselle said that he also has copies of plan sections covering proposed State Forest units. The Central Southeast Area Plan is a few years old; the Prince of Wales Island Area Plan was recently amended. Cronin asked whether the area plans are formally integrated with the Tongass Land Management Plan (TLMP). Freeman said that surrounding lands are considered when developing the area plans, but there is no formal integration of the plans.

Maisch said that he hopes the State Forest bill won't be terribly controversial, but doesn't know yet. The last bill took two years to pass.

McLarnon asked about a State Forest in the Mat-Su Valley. Maisch replied that the Mat-Su area plan updates include potential lands for a State Forest. The Susitna-Matanuska Area Plan is complete but the DMLW needs to brief the Commissioner and get his signature. We need the plan signing prior to developing a legislative proposal. Maisch believes there is public support for a Mat-Su State Forest, but we'll know more when there's a proposal on the table. McLarnon said she knows that there's an organization of 200 people that are supportive. Maisch noted that the Mat-Su Valley has developed more quickly than other parts of Alaska. Land fragmentation is a big issue elsewhere in the U.S., and in Alaska we still have the opportunity to reserve large blocks of land that can be available for public use long-term.

Invasive species. Vinsel reported that a bill on invasive species issues was introduced last year as HB12. He wants to reintroduce it this year. Maisch agreed that invasive species are starting to be a bigger issue in Alaska. For example, bird vetch is taking off suddenly in the interior. Vinsel noted that there's a new aquatic invasive plant in the Chena Slough that was likely introduced by someone dumping aquaria in the slough. The plant has some serious ramifications for fish habitat – it chokes channel bottoms and could affect spawning. It is better to deal with problems sooner than later. Maisch added that in the Lower 48 the emerald ash borer and the thousand-canker disease in black walnut have the potential to create havoc in the forest industry and in urban areas. Cronin asked whether it would be possible between DOF, the Division of Agriculture, and ADF&G to delegate invasive species responsibilities to these agencies rather than creating something new. He's afraid that we'd get another group focused on invasives. There's a tendency for bureaucratic growth, but existing agencies could achieve the mission. Maisch said that part of the need may be for coordination. There's not a large control program in the state at present. Wolfe observed that control of these species is extremely difficult; nipping them sooner rather than later is better. However, weed pulls are marginally successful, and we may want to revisit the big H word [herbicides] with DEC – that's the most successful technique. We don't want to tie our hands in dealing with invasive species problems.

Regional updates and status of local industry. Mark Eliot, DOF, reported that the Northern Region sold 24 timber sales totaling 3.88 MMBF in 2010. The Fairbanks Area Office is preparing 15 Forest Land Use Plans for its spring auction. Fuel reduction projects with ARRA funding are underway near Washington Creek.

The Fairbanks Area Forest position is vacant after Marc Lee retired. The vacancy was posted December 5, and qualified people applied. Robert Schmoll and KT Pyne have been in acting status.

The Superior Pellet plant in North Pole started operating three days a week producing 300 tons of pellets/week based on market demand. There is a new pellet stove in the Fairbanks Area Office compound cabin that replaces electrical heat.

The Delta Area Office is trying to do timber salvage on the Gilles Creek fire. Two sales totaling 1.5 MMBF are in progress, and more sales are projected. Technicians have been doing the layout. Mike Reggear from Idaho was hired as the new Resource Forester; he started December 1, 2010.

The Tok School wood boiler was fired up at the end of October – three years from initiating the project. The grand Gateway School District open house is scheduled for January 7, with invitations to the Governor and Lieutenant Governor. Little smoke is emitted from the stack due to electrostatic precipitation. The project is getting widespread publicity on websites and news outlets.

The Valdez-Copper River Area has nine active sales on 177 acres. For the first time all operators are licensed, bonded, and insured. There is strong interest in both commercial and personal use sales for fuelwood. Personal use permitting is down in relation to commercial fuelwood permitting. DOF is keeping winter roads open with a plowing contract. There is a lot of interagency cooperation to provide fuelwood sites. ADF&G approved narrowed buffers for dead wood removal along Lowe River.

Ulrich Stroetz is a German intern in the Fairbanks Area Office. He is developing a biomass cost analyst tool using information from the TVSF inventory. The tool was used to analyze a request for 1,000 acres from Superior Pellets. It provides the price per ton per mile, reforestation costs, etc. which provides price/ton for each stand available. For Superior, it shows how much acreage is available at \$40/ton or less based on current stumpage rates. Transportation is the biggest cost, followed by volume/acre.

Cronin asked about the status of air quality in Fairbanks. Eliot said that work is still underway on PM 2.5 regulations. He doesn't know whether there's a stay on implementation. DOF is trying to get information about the importance of burning clean, dry wood to the public. A recent Alaska Building Science Network article by Rich Seifert article reported on wood drying protocols. It showed that wood harvested in the spring can be dried to 20% moisture if it is split and covered – previously it was thought to take 16 months. Plentovich noted that outdoor wood boilers are a big issue. Central Wood Boilers has a new EPA-certified model they claim to be 90% efficient. An independent firm has been contracted to evaluate their emissions claims. If true, this will be a good option for Fairbanks. The boiler is made in the Lower 48. The old ones were 40% efficient – they smoldered all day long. Rogers asked whether there is any hope for retrofits. Plentovich said possibly, but it is doubtful. People are committed to their outdoor boilers, and they cost about \$8000. Maisch noted that individuals have requested 40-50 cords for personal use permits because of the amount of wood used in these boilers.

Eliot announced that the TVSF Citizens Advisory Committee will meet on January 9. DOF is working to refill expired seats and revitalize the committee. KT Pyne did a presentation to the Alaska Miners Association, and Rich Hughes is very focused on helping find good applicants for the Committee.

Coastal Region. Greg Staunton, DOF, reported that the Southern Southeast Area Office is using ARRA funds to thin land, with parcels in the Southeast State Forest a top priority. Thinning will finish in the spring. It has been a good workload for contractors in Southeast. Timber sales continue as usual. The office hasn't offered and medium sales recently. They are positioning themselves to make a significant chunk of timber available to Viking Lumber if it is needed to offset supply problems if litigation affects federal timber offerings. The small sales program ongoing and keeping pace with demand. Seley has been parting out his mill equipment, but Staunton didn't know whether he's dismantling the mill building yet.

In Haines, Bill Thomas is working with Area Forester Roy Josephson on resolving traffic and bear conflict issues near Chilkat Lake. We recognize there's an issue. Thomas looking at procuring funding to develop pull-offs to relieve congestion on the road, and give the DNR Division of Parks and Outdoor Recreation authority to deal with traffic.

A Kenai road condition survey project has been funded – this should provide a good feel for Kenai forest road conditions by the end of next year. One MMBF of timber is under contract in the Kenai Area. Most sales target fuelwood demand.

The Mat-Su Area is dealing with demand for small sales, mostly for fuelwood. Demand shifts with the price of fuel. Several operators are supported by state sales. Some small personal use operators have questioned whether they can get the wood they need. It depends on whether access is available.

Maisch asked how many vendors are working on thinning. Staunton said there are four different local vendors. They may hire some outside people but all the contractors are based in Alaska.

Wood energy updates

Biomass boiler standards and effect on rural energy grants. Devany Plentovich, Alaska Energy Authority, reported on the Environmental Protection Agency (EPA) emission standards. The standards affect all new or existing boilers that are commercial, industrial, and institutional. They were to go into effect December 16, 2010, and no known boiler can meet all the standards simultaneously. Annual stack test requirements will be prohibitively expensive in some parts of rural Alaska – testing cost exceeds boiler costs in some areas, and increases maintenance costs by 4-16 times. Alaska asked for an alternate implementation plan.

EPA said the draft rules were too tight to be achievable, and has requested an extension until April 2012 to work on the standards.

Village generators also have emission standards. Alaska got an exemption for facilities that are not on the federal highway system. The state wants something similar for biomass – we want exemptions from emissions testing for boilers less than 10 MMBTU. The good news is that EPA understands that there are issues with compliance.

Cronin asked whether the emissions standards target air quality for breathing or climate change. Plentovich said that they are based on health concerns, driven by coal-fired boilers in urban areas. There really is not a similar problem in rural Alaska.

National biomass legislation. Plentovich summarized national legislation.

- The 2003 Energy Policy Act was the first to provide research and development funding that included renewable energy.

- The 2005 Energy Policy Act set goals for purchase of renewable energy for federal facilities. – 3% of electricity in 2009, then 5% in 2010-12, then 7.5%. If produced on-site or on Native land, purchasers get a bonus. Biomass was considered renewable energy. Half of the renewable energy had to come from renewable sources developed since 1999, not just existing hydroelectric energy.
- Energy Independence and Security Act of 2007 mandated more biofuels mixed with gasoline, and more than half of the biofuels had to come from non-food products. It also included new standards for vehicle efficiency. Federal buildings must be carbon-neutral by 2030 for energy use.
- The 2008 Farm Bill has a lot of biomass opportunities, but the paperwork involved is a deterrent. It includes
 - Biofuels Research and Development,
 - Rural Energy for America program to develop local renewable energy,
 - Forest Biomass for Energy – USFS R&D for forest biomass,
 - Community Wood Energy Program – grants to state and local governments to develop community wood energy plans and acquire/upgrade wood energy systems.
 - Biomass Crop Assistance Program (BCAP) can support biomass energy facility development – e.g., it can subsidize raw material transportation cost for pellet facilities.

Plentovich commented that we need a closer relationship with USDA.

Vinsel asked whether there is any Alaskan biomass export. There's a BCAP subsidy for transportation costs. Wolfe said that Viking Lumber exports hog fuel.

Cronin asked whether there is a clearinghouse for biomass research and development. Maisch said that there is for the USFS through the Forest Products Lab in Madison, WI. The USFS Pacific Northwest Research Station is also identifying needs. Cronin asked whether they are finding that biomass could be a new paradigm for forest management. Maisch said yes, it provides new opportunities for forest management except where it competes with pulp and paper producers which don't qualify for the biomass energy subsidies. That isn't a problem in Alaska. Plentovich said that there are seven regional heat and power action committees, but there is not a big link between them and the USFS. Maisch added that other federal agencies also have information, but there's not a central clearinghouse.

Plentovich announced that the USDA is having a listening session at the University of Alaska in Palmer with parties interested in biofuels. AEA also wants that session to discuss how federal priorities apply in Alaska. The meeting is mostly focused on liquid transportation fuels, which are not the focus for Alaska.

Plentovich noted that ARRA is providing a lot of funding to Alaska as grants, contracts, and loans for energy efficiency audits, biomass feasibility, weatherization, etc.

Plentovich describe the EPA Tailoring Rule which outlines how EPA will regulate greenhouse gas emissions under the Clean Air Act. It targets large industrial facilities. It does not exempt biomass fuel power producers from greenhouse gas permitting requirements, i.e., doesn't treat biomass as a renewable energy source. This will generate a lot of debate. Cronin asked why biomass is not considered carbon-neutral. Plentovich replied that they are regulating all carbon dioxide emissions the same. Maisch added that there's a lot of discussion about whether wood biomass is carbon-neutral –research is needed. There's a temporal component. In some places the industry is backing off on the assumption that it is carbon-neutral. Plentovich reported that a recent study for Vermont on harvesting for biomass showed a 60-70 year period to reach carbon neutrality, but that didn't include any other wood products, just harvesting directly to biomass. She expects other studies to come on this topic.

Wolfe handed out information on the Vermont study and a rebuttal by NCASI scientists (*see handouts*). Plentovich noted that it's an emotional issue for people from different perspectives. Cronin stated that if you don't burn the wood, it will still decay. The time scale is invalid. Maisch said that the analyses

depend on the time scale and the ecosystem, e.g., fire-prone ecosystems vs. rainforests. We really need an accounting system for carbon neutrality with a consistent set of rules. Wolfe said it is a life-cycle argument, and depends on scale. Maisch commented that at the Tok School we are reducing fuel oil use, regrowing timber, and harvesting wood susceptible to burning.

Plentovich summarized pending legislation:

- Broadening the definition and expanding the use of biomass,
 - JOBS bill, (Jumpstart Our Business Strength)
 - Renewable Biomass Fairness Act,
 - S3381 amendment to the Clean Air Act
- Encouraging district heating systems
 - Thermal Energy Efficiency Act of 2009 – fund for combined heat and power, district heating, and recoverable waste energy projects
 - Energy and Water Development Appropriations Act of 2010 -- \$15 million for district energy studies
 - American Renewable Biomass Heating Act 2010 – allows a 30% tax credit for investment in biomass heating
 - Shaheen Amendment – encourages use of waste heat from electrical generation.
- Carbon legislation
 - American Clean Energy & Security Act 2009
 - Comprehensive Energy and Climate Bill
 - Both bills consider cap and trade, energy efficiency, reduction of GHG for major emitters, clean energy/clean economy
 - British Columbia's Carbon tax (*see handout*) -- taxes the purchase and use of fossil fuels. Tax revenue is returned to taxpayers through reductions in other taxes – it is revenue neutral. It is driving a switch to renewable energy sources.
 - Oregon forest management – is changing forest management direction to focus more on management to reduce carbon emissions. It allows more harvest and thinning by reducing emissions.

Nichols stated that the British Columbia carbon tax has created a new class of dumpster divers with bottle and can returnables. Gas is about \$4.80/gallon in British Columbia.

AEA priorities – Plentovich said AEA's priorities are to:

- Prioritize and conduct statewide biomass resources assessments. Maisch noted that some commercial biomass harvests may not be submitting required FRPA Detailed Plans of Operation. DOF needs to staff up on this issue. Will Putman, Tanana Chiefs Conference, suggested that there is a big educational component to this issue -- rural interior communities aren't familiar with FRPA.
- Reactivate the Alaska wood energy working group – a Making Wood Work Conference is scheduled for April 2011.
- Develop an alternative implementation plan for the EPA Boiler emission standards.
- Assess opportunities for short-rotation wood crop production.
- Develop a program to conduct feasibility assessments for potential district heating projects.
- Develop construction plans for "Garn in a box" systems to support the rapid deployment of district heating systems in rural Alaska. AEA has a prototype waiting to get barged to Stebbins. Nichols asked whether combined heat and power systems are the next step. Plentovich said AEA is tracking developing wood electricity systems, but they're not ready for deployment yet.

- Support the development of manufacturing locations for densified wood fuel, e.g., pellets and bricks.
- Assess the actual cost and performance of existing stick, chip, and pellet-fired heating systems.

Biomass project updates. *See handout map.* Fort Yukon is capturing waste heat from its heating plant. McGrath is also looking at capturing waste heat from its powerhouse. Both are large chip systems. AEA would like to assess waste heat options for a Garm solid wood system, too.

Maisch reported that DOF got a grant to provide forest technician training in rural communities using wood systems. The prototype will be developed for Fort Yukon. This proposal ranked #1 in the western region for State and Private Forestry competitive grant applications.

Plentovich said there is new interest in Ambler, Kobuk, and Shungnak for a large chip system – we will need to assess the wood supply. AEA will have Round 4 grant recommendations done by the end of January. They received over 100 applications, including quite a few good biomass projects. Southeast Alaska is exploding with biomass interest. Alakanuk is looking at pulling wood from the river to heat the school.

Maisch announced that the USFS State and Private Forestry program is recruiting for a statewide biomass coordinator. They are focusing on coordinating, tracking, and advocating for projects statewide. The new position could be in Fairbanks, Anchorage, or Juneau. They received about two dozen applicants in their internal outreach.

Wolfe distributed an article on pyrolysis from Forestry Source (*see handout*). Plentovich stated that AEA is keeping an eye on pyrolysis protocols which are being tested in Hawaii. The methodology has some interesting opportunities for Alaska.

Plentovich asked whether the Superior Pellet mill is struggling to get fuel. Doug Hanson, DOF, replied that several local loggers are providing wood. Maisch commented that the mill has had some quality control issues with clinkers due to high ash content. Eliot said he also heard concerns from the public on this issue. He took pictures of clinkers from the DOF pellet stove and sent them to Chad Schumacher at Superior Pellets to alert them to the issue.

Public comments. There were no public comments at this time. Two people commented on the Landslide Science and Technical Committee report; see below.

Climate Change Subcabinet and carbon sequestration. Maisch reported that there has been little activity on this project during the administration change. Two of the agencies involved have new commissioners, and we don't know yet whether new members will be appointed. No final action has occurred on the final recommendations. He stated that it would be most productive for the state to focus on adaptation.

Wolfe reported on ongoing coordination with Canadians interests on how to capture carbon credits for forestry. The use of forestry credits for carbon is still controversial, complex (it is hard to model), and contentious. Growers and producers both want to capture as much of the value as possible. Work will continue in early 2011 on a final document. The next ballot on the document will be in February or March, and if approved the proposed protocols can then be shared.

Wolfe reported that the Chicago Climate Exchange has closed down – the carbon credit price remains too low. They are shifting to just voluntary actions unless some federal mandates develop. Mandates are probably only a matter of time, so it's still important to stay aware and keep track of developments. Nichols said that Japan is not willing to renew the Kyoto agreement – parts of the effort are falling apart.

Questions remain on whether carbon credits make a difference in climate or are just about money. Wolfe stated that there is still good support in Europe and other places that have joined carbon control efforts. Credits are a unique example of government not just taking value, but compensating the owners.

Maisch noted that Leadership in Energy and Environmental Design (LEED) and other green building programs don't treat wood products favorably as a renewable resource. There's national interest in solving that problem, but not apparent interest on LEED's part at this time. The national Green Building Council might also be a vehicle other than LEED. Wood should be credited for carbon storage and renewability.

Nichols commented that he is also seeing confusion between forest certification and legality of logging. There are some chain-of-custody issues that we'd like to clarify. Maisch noted that FRPA is not designed to track chain-of-custody. Nichols replied that it's up to the logger to certify chain-of-custody, and the state has provided a good letter about the legality of logging, but some sort of certificate would be even better. Japan, Korea, and China are all looking for this. Maisch commented that the state is a licensee under the Sustainable Forestry Initiative, but is not certified. There isn't enough return to justify the expense of full certification. Nichols stated that most customers would be satisfied with something that says the wood is not illegally logged. Purchasers want to know where wood is from. We can supply that info, which is an advantage over wood just coming from someplace in Malaysia, Indonesia, etc. It's an issue particularly for products that eventually come back into the U.S. He would like a stamped certificate that the wood is not illegally logged. It is form over substance. Wolfe commented that China is being criticized severely for purchasing illegal wood. Nichols agreed that it's a big deal. For example, a major Chinese guitar manufacturer makes all the necks out of African wood, and none of it certified. Saxby agreed that a "red stamp" on a form is important. Other agencies may have looked into similar issues. The Governor's office on trade may be able to help develop a suitable form. How would a certification that wood has not been harvested illegally affect subsequent enforcement actions on FRPA? Maisch said that DOF will contact the Office of International Trade, and report back to the board at or before the next board meeting. There may be an example we can borrow. Nichols suggested also looking at federal law prohibitions on purchasing illegal timber. US-owned companies in China have to comply with the US federal law.

Wolfe commented that this is an administrative function, so it doesn't require a FRPA change. He doesn't think an action from the Board is necessary. Nichols said that the letter that shows that the harvest is done under government oversight is satisfactory for many of the government people around the world.

NPDES permitting and forest roads. Kevin Saxby, Asst. Attorney General, reviewed the NEDC vs. Brown court case over water pollution from two roads in the Tillamook State Forest. The lawsuit also names the Oregon Board of Forestry, Tillamook County, and private timber companies. Litigant's failure to obtain NPDES permits for forest roads violated the Clean Water Act. The federal district court said the silvicultural rule exempted forest roads from permit requirement.

Statutes trump regulations. The Clean Water Act makes it illegal to discharge any pollutant. The NPDES statutes provide an exception for activities that receive a permit after review. Pollutants include sand, rock, etc. "Discharge of pollutants" means an addition to navigable waters from a point source. "Point source" includes any pipe, ditch, channel, etc. It does not include agricultural stormwater discharges from irrigated agriculture.

The Ninth Circuit federal court with a three-judge panel heard the appeal and said road runoff through a culvert, ditch, or channel is a point-source discharge, and that Congress didn't grant the EPA the authority to exempt broad categories of discharges. All parties agreed there was no statutory exemption, but argued whether the regulatory exemption was illegal. The Ninth Circuit said that the silvicultural rule does not

exempt stormwater discharges from logging roads through ditches, culverts, and conduits before being discharged into streams from NPDES requirements. A general permit may be used in some situations.

The parties have requested an *en banc* hearing with the full panel of judges. The Ninth Circuit has asked for briefings on whether it is able to rule on agency interpretations of EPA regulations when EPA is not a party to the suit. The petitions for rehearing and hearing *en banc* won't be ready for decision until January at the earliest.

The Ninth Circuit includes Alaska, and the decision will apply throughout the Ninth Circuit. The ruling could apply whether roads are private or public. It may apply even when channeling occurs naturally. It is unclear what roads will be covered – i.e., roads with solely forestry use vs. mixed use. Who would have to obtain the permit? The county, state, and loggers were all sued. EPA has already issued a notice of availability of a general permit for at least some forest roads.

There are various possible outcomes – Congress could enact a silvicultural exemption similar to the agricultural exemption. The decision could be subject to judicial limitation or Supreme Court review. The decision could be implemented with a general permit, narrower exemptions for discharges that could legitimately be definable as nonpoint sources, or engineering solutions.

Rogers asked why the silvicultural exemption, which dates back to the 1970s, was just litigated now. Saxby said this appears to be the first time it has been litigated.

Wolfe commented that a culvert moving river, stream or creek water under a road isn't a point source, but other culverts that collect runoff from roads, even if they empty into a wetland, are point sources because they discharge into waters or wetlands. What about isolated wetlands that aren't connected to navigable waters? When are wetlands navigable waters? Saxby noted that there is an Illinois case that some isolated duck ponds were not navigable waters.

Saxby stated that it's not clear at what point the Clean Water Act doesn't apply because the runoff is more like natural, unchanneled runoff. Nichols said the law shouldn't require a permit if you just move water under a road without adding any road runoff.

Wolfe asked whether there was any discussion in this case about the Corps of Engineers permit exemption for silvicultural roads with respect to fill. Saxby said this was all directed at runoff, not fill.

Moselle asked whether there is anything in the Congressional record indicating that forestry was part of the silvicultural exemption. Saxby replied that the case record said that there was no discussion in the Congressional record on the exemption. There is a theory that if Congress reenacts a statute with knowledge of a regulation and doesn't change the statute, that it approves the regulation. However, the 1987 reenactment made many significant changes in the Act. The court said that since Congress didn't include a silvicultural exemption, they didn't intend one.

Saxby doesn't know how long it will take the Ninth Circuit to rule on the requests. It took two years to rule the last time. The view is that this decision is stayed until there is a decision on the request. The parties are treating this as not a final decision. No one can interpret the ruling's effect yet given that EPA wasn't even a party to the suit.

Cronin asked whether the courts are just giving Congress a pass by saying that Congress may not have known about the EPA exemption. Saxby replied that the court said there was no evidence that Congress was aware of the exemption or intended it to continue.

William Ashton, DEC Stormwater and Division of Water Wetlands Section Manager said that DEC's determination of how to act in terms of permitting will depend on the final court decision. *See handout.* The 1987 Clean Water Act amendments on stormwater added sections which identified 11 industrial categories. EPA wrote a Multi-sector General Permit (MSGP) addressing these categories with 29 sectors. Timber is one sector and log sorting facilities are in that sector.

The MSGP has been around since the 1990s. Alaska accepted responsibility for stormwater under APDES in 2009. The general permit applies to a whole class of facilities. Under the MSGP, a facility has to develop a plan for mitigating pollutant discharges, including erosion and sediment control. Sealaska already has coverage for their Southeast sort yards under the MSGP. Sector AD is a catchall in the MSGP. It directs a party to apply for a permit under the MSGP and then DEC sets the requirements. DEC would use this sector to implement this court decision and work with each applicant. This would only occur if the final court decision requires permitting for logging road runoff.

The proposed approach would

- Identify categories of roads, ditches, culverts, etc. that do and do not need to be regulated.
- Define "substantially identical outfalls" – if discharge points are essentially similar, you don't have to sample them all. If a logging road has multiple outfalls, you would inspect a representative subsample, not every culvert.
- Set benchmarks for road runoff sampling – something you work towards, not a violation level; e.g., benchmarks for total suspended solids
- Include methods to identify substantially identical outfalls, and protocols for sampling.
- Possibly develop non-numeric methods to meet permit requirements.

DEC would get together with the timber industry to discuss how to approach the existing permit and apply it to logging roads. If a landowner already has coverage for a sort yard, that could determine the unit covered by that permit – it could cover all roads leading to that sort yard in a single permit, and the plan would be for that whole area rather than for individual roads.

Maisch asked whether a plan be written at the scale of the FRPA regions. Ashton replied that it would have to be closer to the sort yard unit level than all of Southeast Alaska under a single permit. DEC has to look at who are the owner, the sort yard operator, and harvester. There are regional differences – e.g., in the interior, there's more travel on public roads. There are some questions on what constitutes a logging road. It is unclear who would hold the permit at this point. Usually it's the operator – the person doing the activity that could cause the pollution.

Nichols asked why this can't be included under a DPO which has all the BMPs that should be required. Is this permit only on new construction? Ashton said the MSGP is primarily for existing roads. It is unclear whether new roads would meet requirements for the MSGP. An operator might develop a pollution plan for 10 miles of logging road under the permit for a five-acre sort yard. Nichols said that every year you build new roads-- do they all need new permits? Also, it's costly to fly people in and samples out for testing. FRPA is specific on trying to eliminate discharge into streams. This just duplicates it. Ashton said he is not familiar with FRPA provisions. Sections of FRPA could fit non-numeric effluent compliance – activities you are already doing could be covered under the MSGP. Wolfe commented that an operator needs a Stormwater Pollution Prevention Plan (SWPPP) for the sort yard anyway. Through a Notice of Intent and an amended MSGP, the operator can incorporate forest roads and adopt FRPA regulations as the standards. Nichols asked about requirements for testing procedures. Wolfe responded that FRPA covers everything but the sampling. The BOF has a good history of taking Science and Technical issues and figuring out ways to categorize culverts. Sampling has two parts – what are you monitoring? A stream crossing shouldn't be a discharge, and shouldn't require testing. The same is true for discharge into isolated wetlands. Culverts discharging into navigable waters

remain, and those could be categorized. Then the question is what you are monitoring, possible total suspended solids.

Nichols said that if an operator is the permit holder, he could become responsible for roads he didn't construct. Maisch noted that in some cases multiple operators use the same state road. The MSGP wasn't set up to do this, but it's the closest we've got without writing a whole new general permit for forestry logging roads. Nichols suggested that we may need to develop a general permit specifically for logging roads because of the variety of conditions and liabilities.

Hanley suggested that Nichols could develop a general SWPPP for his operations that describes the BMPs used to control runoff. Then he could have someone check turbidity on a subsample. You wouldn't have to reinvent the wheel for each new operating area. Ashton said that 70-90% of plan contents would be the same on any new area; it would just identify the different culverts. Nichols said that if an operator were to go back into Icy Bay, it would be a big job to do the plan. Ashton replied that with the MSGP the operator files, and then has up to 60 days until he is covered. Some factors will depend on the court decision. There is a general permit system that exists that is relatively painless comparing to developing a new general permit. He understands that it's not painless. Nichols emphasized that the process is not painless and has a lot of new unknowns. In Oregon they now can't truck when it rains, which has huge impacts on operations. In California they can't operate in a heavy fog. Every time there's a permit involved, some entity has the opportunity to determine what's required under the permit. When you regulate turbidity on a logging road, the easiest thing is to say, "Don't truck when it rains." Hanley responded that if monitoring show that the operation is exceeding turbidity standards, then it indicates that your BMPs aren't working. Nichols agreed – he wants to get the permit under FRPA so that it's part of the same process. Maisch observed that one-stop shopping was a key FRPA principle. Nichols said that the industry fought hard to avoid the need for multiple permits. Wolfe agreed that one-stop shopping is a laudable goal, and noted that forest operations still need Title 16 and MSGP permits. Developing the log transfer general permit took a long time. Sealaska doesn't want to get caught short – they have to operate, and to do so within the confines of the Clean Water Act. Nichols responded that this permit and monitoring requirement opens up the operator to another whole arena that could be subject to challenge. Wolfe stated that if the courts disallow the silvicultural exemption, then this is a good way to go. Nichols said the permit should incorporate the FRPA BMPs – they should cover it. Wolfe said they cover everything except monitoring. We would have to spend some time to generate something that would comply for that. Ashton said that total suspended solids sampling is an example from another sector, but there could be other options, like BMP monitoring. If FRPA already describes road BMPs, they could be adopted into the SWPPP. Maisch said it would be up to the work group to figure that out.

Cronin said the idea is that existing BMPs and monitoring address the actual issue, and show that the pollutant of concern (sediment) isn't affecting fish, so it should take care of this.

Nichols sees this as exact duplication of permits. Ashton said there are required elements for a general permit, but maybe 90% or more of them could be covered by FRPA. Nichols noted that DEC already looks at DPOs and can come out on inspections – DEC should be able to incorporate stormwater permitting and FRPA into one process even if that means broadening the DPO requirements. Maisch concluded that the agencies hear that using existing processes is the goal.

Maisch asked when the Board should invest time in working on this. Saxby replied that it could be two years before there's a ruling on the existing requests, and if the ruling holds that the exemption is invalid, there could be another period for Supreme Court review. Ashton said the DEC outline for an approach generally aligns with what EPA Region 10 is thinking. Nichols asked whether the court would grant time

to develop a separate general permit for logging roads. Ashton responded that agencies usually have a couple of years to phase in new requirements.

John Sturgeon, past State Forester and Board member, is currently with Konkor Forest Products which logged about 25 MMBF this year. He is also involved with manufacture of products in China from Alaska wood. Wolfe asked Sturgeon to talk about historical perspectives on FRPA. Sturgeon explained that he was on the committee that developed the 1990 FRPA. It was a very interesting process. Governor Cowper said that either the state would revise FRPA with protection for water quality and fish habitat, or a broad group of stakeholders could do it. Initially Sturgeon thought it wouldn't work because of the diverse interests. However, they got to know each other, and in the end came up with a FRPA revision that went through the legislature without any changes or hiccups in committees.

The participants adopted principles in the "Green Book" and agreed to operate by consensus. The four principles are

1. Fairness – one group wouldn't have to bear the bulk of risk.
2. "No Big Hit" was important for private landowners. For example, a study showed that 96% of large woody debris came from first 66' beyond the stream bank. If you go to 100 feet you don't get that much more for considerably more cost. This was a big deal for the private landowners. Salmon streams are very important to fishermen, but that's also where the highest value, most accessible trees grow. The process also emphasized the use of science and set up a science committee that brought recommendations back to the whole group.
3. Enforceable and reasonable. For example the group rejected a proposal to angle stump cuts on hillsides away from the water to improve aesthetics.
4. Professional management – the group agreed to help DNR, DEC, and DOF have the people needed to inspect operations. FRPA didn't do anything for the landowners unless it was enforced. Landowners needed to be able to say that it's a good act and well-enforced. That's worked well over the years. Konkor gets inspections on Afognak every 1-2 months. Operators can get a ticket if there's a problem, and they have to fix it quickly.

The FRPA group also agreed there would be no political end runs as political winds changed. They all agreed to go through the BOF before going to the legislature. That is a handshake agreement that has held since 1989.

Wolfe added that in a stakeholder process, sometimes a group can be high-centered. He remembers that Sturgeon provided a good dynamic to listen, hear various sides, break a stalemate, and allow the process to continue. Development of the 1990 FRPA was one of the more significant accomplishments of the participants' careers. Sturgeon added that by contrast the Tongass Futures Roundtable hasn't worked as well. Difficulties include having multiple people representing constituencies which makes it hard to develop personal relationships. Having the Governor in a position to set an incentive for the FRPA group was also important to its success.

Maisch added that the Act has been revised for each of the three regions using the same process, and each time the bill went through the legislature without amendment.

Nichols asked what drove the Governor's decision. Sturgeon said that it had to do with commercial fishermen and the environmental community saying more was needed to protect salmon streams, and Native corporations were really starting to harvest. Wolfe also noted that there were big issues over a proposal for a large Mat-Su timber sale. Freeman observed that the Timber, Fish, and Wildlife agreement had just occurred in Washington State.

Sturgeon commented that with respect to one-stop shopping, seven different agencies were involved in culvert installation at one point prior to FRPA.

Sturgeon stated that the dynamics have to be correct for a process to work. Having Governor Cowper standing over the process was important. There was also a single spokesperson for the environmental community when there were different views. Wolfe said that the facilitator, Jim Waldo, had experience from Washington State Timber, Fish, and Wildlife agreement process. Cronin asked whether part of the difference with the Tongass Futures Roundtable is that it's federal land, not in state control. Sturgeon said yes, Tongass is a much bigger task.

Vinsel thanked everyone involved. Alaska has just gone through a 10-year recovery process for the salmon industry, but the problem wasn't lack of fish – if it had been, we couldn't have done what we did to help communities. There will always be a problem run here or there, but we are the envy of the world for our healthy runs.

Nicolls said that John Sandor is trying to put together a history of forestry in Alaska, and he needs information on FRPA development. Sturgeon said he would be glad to help.

Sturgeon thanked everyone who is putting in time on the Board. It's an act that is still working well.

State forestry planning updates. Jim Schwarber, DOF, reported that the Mat-Su Area Office hosted the third annual trails meeting in Wasilla, with DOF staff, operators, and mushers to share concerns on use of logging trails in the winter. The meeting was positive, constructive, and identified additional actions to make use safe. DOF will continue to provide logging activity info to the Willow Dog Mushers Association who posts info on their webpage to keep mushers informed. The group also discussed a trail to parallel the Zero Lake Road, and talked about fall four-wheeler dog training. The group agreed to add a caution sign to the road to alert loggers and personal use wood harvesters to the presence of fall mushers.

Southeast State Forest planning is on-hold until the new proposal for additions is considered by legislature. Meanwhile DOF is developing the planning strategy.

Formal adoption of Susitna-Matanuska Area Plan awaits the DNR Commissioner's signature. DOF and the DMLW will then develop a forestry management plan to replace the Susitna Forestry Guidelines for the 400,000 acres of designated forest land. Doug Hanson is completing an inventory for most of the Susitna Valley forest lands.

Schwarber reviewed the Homer and Willow demonstration forests which are managed under Interagency Land Management Agreements (ILMAs) between the DMLW and DOF. The Willow forest includes long-term tree planting experiments, and no change proposed. Homer has been a demonstration forest since 1986, and its ILMA sunsets in 2011. DOF will work closely with interested parties to renew or revise the ILMA.

In the TVSF, the Bonanza Creek Experimental Forest lease expires in June 2018, and the university research forest scheduled for transfer in 2055.

Schwarber is helping Eliot fill vacancies on the TVSF Citizens Advisory Committee.

Burn permit regulations are under review by the Attorney General's Office. When wording is finalized, DOF will begin public review, and will review then with the Board. Only cooking, warming, and

signaling fires that are continually attended to will not need a permit. Allow areas to design permits to meet local needs.

Nicolls stated that he resigned from the Alaska Outdoor Council over access issues. Was the Outdoor Council at the Mat-Su trails meeting? Schwarber said no, but they were on the Susitna Forest Guidelines working group that was suspended pending Su-Mat planning.

McLarnon thanked DOF for its trails work. The annual meetings started due to difficult issues, and there is now an almost flawless process. She thanked Bullman, Jandreau, and Schwarber for their work.

Commissioner visit.

Dan Sullivan and Ed Fogels, the new Commissioner and Deputy Commissioner of DNR, respectively, introduced themselves to the Board. Commissioner Sullivan said that it is important to work with stakeholders on issues. He has heard impressive things about the Board of Forestry. It is impressive that the Board makes progress with the diversity of its membership. The Commissioner explained that he is currently in the process of meeting people in the department and listening. He likes to be on the offense – working with stakeholders, looking for common ground, and then moving. He asked Board members to comment on whether they perceive the Board of Forestry as effective, and if so, why.

Bosworth said that excellent agency staff provide good knowledge and support to the Board. The Board works by consensus.

Wolfe noted that John Sturgeon spoke earlier in the day, recounting the process for revising FRPA in 1989-90, prior to the existing Board structure. It was a stakeholder consensus process, and the Governor gave the group just a year to develop its recommendations. It was not easy, but it is still viewed as a significant milestone in the careers of the participants. That process set the foundation for ongoing constructive work.

Sullivan asked about the Board's funding and recent accomplishments. Maisch said that there is a small line item for the Board which is supplemented with contributions from the program budget. A major accomplishment was passage of the Southeast State Forest bill. Board testimony was a key to the bill's passage. The Board's approach is to work out issues ahead of time so that legislation passes through committees unchanged. Wolfe noted that in 1990 Bettye Fahrenkamp said that all bills were amended in her committee, but FRPA wasn't changed. It is a unique, admirable legislative history.

Cronin said that it took him awhile to grasp how good the DOF staff is, and how knowledgeable. The Division is helping with biomass energy projects. Maisch does a good job managing the division. The Board deals with FRPA, and is not delegated authority on federal forestry issues. The Board stays briefed on Tongass issues, and are primed and interested.

Maisch noted that the Board of Forestry is an advisory board, not a regulatory board. It is established under FRPA, with specific seats designated by that law. The Division also has a citizens' advisory committee for the Tanana Valley State Forest that mirrors the Board and focuses on local issues. Sullivan asked about the area in legislatively designated State Forests. Maisch said that the three state forests total about two million acres. The Division hopes for future additions.

Maisch noted that the Board was the first recipient of the Tileston Award presented jointly by the Resource Development Council and the Alaska Conservation Alliance. The award honors organizations that create solutions advancing the goals of economic development and environmental protection.

Nichols commented that Tongass management is not in the Board's purview, but the Board does discuss Tongass issues and reached agreement on recommendations to include in its annual letter to the Governor. It was a milestone to have a diverse group reach agreement on Tongass matters. There may be an opportunity for the Board to represent the state more. Tongass issues have a big impact on the timber industry. Freeman explained that the Board also asked that their letter to the Governor be forwarded to the USDA, and that was done recently. Moselle noted that there is a link between FRPA and Tongass, because federal forest management activities must meet or exceed the standards set by the Alaska Forest Resources and Practices Act.

Maisch added that he meets with USFS leadership in Washington, D.C. both directly as part of National Association of State Foresters work, and through John Katz in the Governor's Washington office.

Vinsel commented that the Board meets annually in each of the three forest practices regions, and participates in field trips to forestry and biomass operations such as the biomass facility and lumber mill in Craig, Sealaska harvest operations in Southeast, and the Tok biomass and fire risk reduction projects. The conversations in the van rides on field trips are important.

Maisch noted that there is an opportunity for public comment at each Board meeting.

Wolfe observed that a huge issue under FRPA was the establishment of riparian buffers. This was essentially a taking of timber value on private land, but it was accomplished without a court fight because the Act achieved something of significance for all parties. The Act provides agency field presence – including DEC and ADF&G -- compliance monitoring, and inspections which are important to its success. Nichols added that the timber industry gave up hundreds of thousands of dollars in riparian buffers, but they received stability in forest regulation versus ongoing litigation.

Sullivan said that he is not afraid to litigate issues, but when there's an opportunity for solutions of common interest, he prefers that.

Slenkamp noted that the Board is currently looking at landslide issues. There are potential public safety issues, including on Mental Health Trust land. The Board is trying to come up with best management practices and the Trust is trying to exchange problematic lands for more suitable sites.

Sullivan stated that consensus recommendations are powerful because of the backing from the Board. Maisch noted that Board recommendations first go through a science and technical committee, and then a stakeholder implementation group before they are adopted administratively or taken to the legislature. Nichols emphasized that the difference is that Board recommendations are vetted first – they aren't coming just from one side. Maisch agreed that the Board approach is to get groups represented in the process, not to leave people out.

Nicolls said that other state boards have a greater scope of authority. Eventually the Board of Forestry's scope should be broadened.

FRPA standards re landslides and mass wasting. Marty Freeman, DOF, summarized the work of the Landslide Science & Technical Committee (S&TC)(*see handouts*). Following the completion of the scoping process to assess landslide hazards, the Board asked DOF to convene a science and technical committee to review, and where appropriate, recommend updates to the FRPA best management practices for landslides and mass wasting associated with forest operations.

The S&TC met four times from September to December, 2010. Members included state and federal scientists with expertise in soils, hydrology, geology, road engineering, fish habitat, water quality, and FRPA implementation, and a private sector expert in helicopter harvesting.

The S&TC updated and expanded the landslide bibliography to include information on

- Landslide effects on fish habitat,
- Effects of forest practices on landslide risk,
- Links between soil disturbance and slope stability, and
- Techniques for assessing landslide risk.

Eleven references were added to the bibliography, of which two were highlighted as key documents for Alaska.

The S&TC also worked on definitions relevant to landslides and mass wasting.

- “Mass wasting” is already defined in the FRPA regulations, and the Committee recommended using the same definition for “landslide.”
- They also developed a definition for the term, “unstable slope or slide-prone area,” and recommended that it be used in place of three separate, similar terms now used in the regulations.
- The S&TC provided a new definition for “unstable fill material.”
- The Committee also provided indicators for determining when “saturated soil conditions” exist on slopes. The existing definition for “saturated soils” in the FRPA regulations applies to muskegs as well as slopes, but the risk for landslides only occurs on slopes. There was some confusion about how wet a soil must be to qualify as saturated – it is different than just wet soils. The indicators are designed to help people readily identify saturated conditions in the field.

In general, the S&TC said that the BMPs did a reasonable job of addressing landslide risks. They recommended the following additions to further strengthen the BMPs.

- Direct operators to minimize disturbance to soils, understory vegetation, stumps, and root systems in cable-yarding operations.
- Direct operators to consider partial cuts, helicopter yarding, retention areas, or other techniques designed to minimize disturbance to soils, understory vegetation, stumps and root systems when planning harvest units on unstable slopes or slide-prone areas,
- Require prior notice to DOF for use of tracked or wheeled harvest systems on unstable slopes or slide-prone areas.
- Prohibit blasting during saturated soil conditions on steep slopes, unstable slopes, or slide-prone areas. The current regulations prohibit blasting under these conditions “if mass wasting is likely to result and cause degradation of surface or standing water quality.” The S&TC felt strongly that when soil is saturated on steep or unstable slopes, the likelihood of a large slide is very high, mobility of a slide is great, and the ability to predict the extent of the slide’s movement is limited. This change would mean an operator would have to wait for soils to dry out to a less than saturated condition before blasting.

The S&TC did not reach consensus on one issue – the threshold for requiring end-haul and full-bench road construction methods under 11 AAC 95.290(d). The current regulations require end-hauling and full-bench road construction if mass wasting is likely to occur “and cause degradation of surface or standing water quality” in 11 AAC 95.290(d). S&TC members disagreed on whether or not to delete the qualifying phrase (underlined above). They identified two options for this BMP.

Option A: Pat Palkovic (DOF), Greg Staunton (DOF), and Bert Burkhart (Columbia Helicopters) support this option. They believe that road construction issues are best addressed on a site-by-site basis, that end-haul/full-bench construction may also have landscape impacts, and that the

existing and recommended BMPs provide the tools to address road proposals that have the potential to impact water quality or fish habitat.

Option B: Adelaide Johnson (USFS) and Kevin Hanley (DEC) support this option. They believe that extent of impacts from road construction on an unstable slope or slide-prone area is unpredictable, and that road construction in areas where mass wasting is likely to occur should require end-hauling and full-bench construction to minimize landslide potential.

Neutral: Kyle Moselle (ADF&G), Dennis Landwehr (USFS), and Jim Baichtal (USFS) were neutral. Moselle said that fish habitat would be protected under either option. Landwehr and Baichtal were indifferent with a slight preference for Option A. Landwehr stated that there would be little difference between the options in actual practice.

The S&TC also recommended training for agency staff, landowners, and operators on the following topics.

- Identification and mapping for DPOs of “unstable slopes and slide-prone areas,”
 - Information available from the scoping maps, digital elevation models, and other sources to identify and map these areas
 - All indicators listed under this definition
 - Which slopes <67% are unstable or slide-prone
- Identification of “saturated soils” and understanding of the indicators for saturation on slopes
- Assessment of likely runout zones for potential slides (e.g., see Chatwin et al., 1994 for illustrations)
- Connection between FRPA standards and water quality standards, and sources of information on water uses
- Any changes adopted in regulation or made to the DPO form.

If the Board approves the recommendations, including direction on the road construction issue, the next step would be to convene an Implementation Group to determine how to best implement the S&TC recommendations in a practical and effective manner. An Implementation Group would include representative of state resource agencies, forest landowners, operators, and affected interests. The S&TC recommendations do not require any statutory changes, but may mean regulatory updates. Any regulation changes would go through the standard public process for adopting regulations. Changes to the BMP implementation fieldbook and training needs are administrative tasks within DOF authority.

Ed Wood and Suzanne West, Mitkof Highway Homeowners' Association (MHHA), commented by teleconference. Wood thanked the Board for the opportunity to call in. West said that she had been part of the MHHA since its inception. She appreciated the S&TC effort, but said that the proposed best management practices (BMPs) don't address public safety issues. There are no fish streams on the Mental Health Trust land of concern to the MHHA. Trust land harvest operations would occur 150' from their drinking water outtake. Debris from timber harvesting would wipe out streams. She appreciates the water quality and fish habitat work, but it has nothing to do with public safety. The outcome falls short of the needs.

Nichols said that the BMP for blasting under 11 AAC 95.290(b)(3) could allow small right-of-way shots without a risk to resources, or could decrease the amount of powder usable. He can see the proposed restriction on a larger rock pit under saturated conditions. For the BMP under 11 AAC 95.290(d) you should be careful you don't make a bigger problem from end-hauling by overloading. It's hard to find a place to put that material.

Wolfe recommended that the Board not get into specifics of the recommendations. He suggested sending the S&TC recommendations forward to an implementation group and getting their recommendations.

Nicolls asked whether public review would be required for regulations and other actions. Freeman explained that there is a very specific required process for adopting regulations. The process includes public and agency input and review by the Attorney General's Office and the Lieutenant Governor.

West said that she heard the Board's vote on the public safety question. She understands that the Board thinks it's not important and we're stuck with the status quo even though the Attorney General's Office said that the Board could seek public safety authority. Maisch responded that the Board could seek authority for public safety, but elected not to request new statutory authority to do so under FRPA. The Mental Health Trust land exchange may be the best option to get protection for public safety in the MHHA area. The Board will discuss how it wants to be involved in that process and Maisch welcomed West calling in for that discussion.

Rogers noted that FRPA also has jurisdiction for water quality issues, not just protection of fish streams. FRPA does apply where water use is important.

West asked whether the Board has been on the Mitkof Highway site. Maisch said that the Board hasn't been on site, but others working with the issues are familiar with it. West said that the size of the proposed harvest is so big it would affect existing water rights. Wood said that they have used the stream for drinking water since 1961. A small harvest unit above a house resulted in a reservoir silting in five times. Now it dries up in drought periods. Maisch asked whether Wood has water rights for the stream. Wood said yes, but noted that water rights only deal with water quantity, not quality.

Gilder commented that almost all waters in Alaska are designated for all water uses, and that the standards for the most stringent designated use apply. In most cases that is the drinking water standard, not fish habitat. Freeman noted that the S&TC recommendations on training include a need for training on the connection between FRPA and the state water quality standards.

Slenkamp stated that Petersburg can pass a local land use ordinance for the Mitkof Highway sites. This doesn't need to be a statewide issue. It is best addressed on a local platform.

West said that on Wrangell Island at Mile 8, silt appeared in showers due to water quality problems following timber harvest on a Mental Health Trust parcel. The proposed timber harvest at Mitkof is different than harvesting on Kupreanof – on Mitkof there are homes, the highway, and the Tyee power corridor. The USFS doesn't cut on steep, slide-prone slopes above homes. Other areas occur throughout Southeast Alaska. The recommended BMPs are nice suggestions, but so far away from what we wanted.

Adjourn Day 1

Tuesday, December 14, 2010

Convened 8:05

New Business

Tongass/Southeast Alaska issues

State Tongass Team. Ed Fogels described the State Tongass Team. It was first convened to provide coordinated state comments on the 2008 TLMP. The Team meets monthly with about 20 people from ADF&G, DOF, DMLW, DEC, the departments of Community, Commerce, and Economic Development, Transportation and Public Facilities, Law, and the Governor's Office. Tongass issues are important to the Governor's Office. The Team maintains state involvement in economic timber planning, wildlife conservation issues. Fogels will continue in the team leader role at present, as well as serving as the deputy commissioner for DOF and other non-oil and gas divisions. Tongass wolf issues are big currently. Fogels wants the state to play a bigger role in resolving land issues, including Sealaska, Mental Health Trust, and landless Natives land ownership. Maisch noted that Governor's Office staff and John Katz meet regularly with the senior leadership group within the Tongass Team. The state tries to avoid litigation, but engages in litigation when necessary. The USFS is happy with the way the state-USFS interaction has proceeded. Dave Harris, USFS, concurred – the agencies have differences, but are moving forward.

Bosworth asked whether there is a role for the Board in the Tongass policy framework. Fogels noted that the effectiveness of the Tongass Futures Roundtable has waxed and waned. It would be great if the Board could get more involved, but it's a lot of work. Do you want to do that? Maisch is one of the key people on the Team. It might be useful to have the Board comment on things like the Five-Year Schedule and economic development plan for Southeast. Maisch added that Clarence Clark, DOF, and Moselle are also on senior leadership group, and are the daily interface with the USFS. The Team recently met with the USFS Tongass leaders to help develop working relationships.

Wolfe appreciated Fogels' deep understanding of the land issues in Southeast. He hopes equal weight will be given to land issues and TLMP implementation.

Nicolls asked whether USFS people sit in on Tongass Team meetings. Fogels said that the Team is just state representatives, but they do meet periodically with USFS staff including district rangers. The Team also engages with regional and national USFS leadership through the Governor's Office. Fogels explained that Randy Ruaro, the Governor's deputy chief of staff and John Katz are the leads for the Governor's office on Tongass issues.

Bosworth appreciated the visit with Commissioner Sullivan and Fogels. He gets nervous about talking about the Board as the model for operating. We're still testing and building on that, and testing the trust issue. With Tongass issues there's a land mine every step of the way, and we're still building trust. Fogels commented that the Board of Forestry gives energy to the Commissioner's Office, and other boards often take energy.

Cronin said that the Board is primed to some degree because there is State Forest land, and knowledge and involvement from the industry. The Tongass issues are still forestry issues in Southeast Alaska.

Nichols stated that the last Alaska pulp mill shut down over 10 years ago. The cost to keep up with issues on the USFS side is unreasonable for the private sector. Tongass is a political battle. Having the state

involved is the only way to work on the policy issues. Nothing has stabilized in the timber supply over the last ten years. With FRPA, everyone gave a little, and it's been peace for 20 years. There should be a similar goal for Tongass. Tongass has a huge economic effect on Southeast Alaska, especially the small communities. Maisch stated that the Board's focus is on state issues and we want to stay effective there. We can look for strategic ways to be effective on federal issues.

Landslide Science & Technical Committee, cont.

Maisch summarized that the Board's preference is to have an implementation group work on the two options presented for end-hauling and full bench construction.

Nichols commented that there are options A and B, but the differences aren't overwhelming. The implementation group needs to look at them, and see on the ground what fits.

Maisch asked whether the S&TC looked at costs. Freeman said no, we expect an implementation group to do that. Wolfe said that the S&TC has been helpful. Their work product now needs to be reviewed in the context of regulations and law. McLarnon agreed that it needs to move to the next committee. She said she doesn't have enough experience to weigh in on option A or B.

Freeman welcomed Board input on implementation group members. It would include landowners, operators, and other affected interests.

Nicolls said we need to be cautious about redoing what the S&TC has done. It is a wonderful product; we don't need to redo it.

Nichols suggested that since one BMP deals with blasting, it would be good to have a powder company representative involved.

Maisch said that he hears that the Board recommends convening an implementation group. I should include water expertise.

Wolfe reiterated that he appreciates the S&TC product, but it needs to be reviewed in total for implementation. The implementation group shouldn't be restricted to options A and B. Freeman said that implementation groups work best when they understand the goal, but can identify a better way to achieve it on the ground. Nichols said he is looking for a way to leave flexibility for operators while protecting the resources. Nicolls asked for clarification – is another committee review recommended, or just the implementation group. Maisch replied that the implementation group will review and bring a final recommendation to the Board. Nichols said that the issues are on steep slopes and saturated soil conditions, and we need to find people who understand that on the ground – we may need a geologist/hydrologist. In some places, soils may be so shallow that slides are not an issue. Freeman noted that we can bring in technical advisors as well as having people on the group. Wolfe said that it could be useful for powder information to bring in technical advice for a meeting. Nichols said he understands, but emphasized that there's a lot of blasting done near buildings in Southeast.

► Foley moved and McLarnon seconded a resolution to convene an implementation group. The motion passed unanimously.

Cronin said that he would like a summary of the Board's statement on the public safety issue. There must be a general position that if the state takes an action, there is a concern for public safety.

Freeman recapped the Board's decision on public safety. The Board felt that many authorities address public safety, many activities cause slides, and slides occur both naturally and from human activity. Other authorities, particularly local planning and zoning under Title 29 are better suited to address these issues. McLarnon added that the scoping process identified safety hazards from slides on a small percentage of the area. The issue is localized and doesn't merit a change in the statewide statute. Maisch reiterated the Board's position that local processes are more appropriate to the scale of the issue. Fish habitat and water quality BMPs also provide some protection for public safety.

Hanley commented that the non-consensus on Options A and B reflects some difference of opinion on how well the fish habitat and water quality BMPs address the public safety issues.

Nicolls feels bad that we can't do more to respond to the local concern – he wishes there were an overarching state policy response. We know there are various hazards next to communities. Nichols commented that the comfort is the amount of research the group has done. Safety is a human emotion issue. Any changes to the land can trigger problems, and it's hard to identify what are the results of human activities and acts of God, especially 5-10 years after completion. Where does liability end? It's an ongoing battle – the potential is always there.

Maisch observed that we are trying to manage risk, and different people are comfortable with different levels of risk. Fire management is similar. Cronin asked whether safety issues ever come up in other forestry arenas, for example with forest management in spruce bark beetle areas. Maisch said yes. DOF was sued on both sides with respect to beetles -- for doing too much and doing too little. DOF won both cases. The court ruled that DOF used a good process to decide, and had discretion to make the decisions. The agencies need to use best professional judgment on the ground.

Cronin said that with landslides, there is FRPA oversight of the activity. The Division would look at the site for risk. Maisch replied that DOF's role is to provide sound professional guidance on how to use BMPs to minimize risk, and operators and landowners have to implement the practices. Wolfe emphasized that FRPA is not a permit, it is a notification system. There aren't "practices acts" for other developments activities like subdivisions. This isn't the only body of state law, and other bodies of law are more important for this issue.

Moselle commented that the S&TC recognized that these issues are at the crossroad of policy and science. One of issues the Committee discussed was whether we are trying to write regulations to prevent all landslides, or manage risk. There will be natural slides and small shallow slides with limited impacts. The implementation group should start with the S&TC minutes and understand that deliberation. On blasting we said you should avoid it completely when soils are saturated, but allow more risk with road-building. The S&TC moved forward with Options A and B – one requires end-hauling, one only requires it when the risk of water impacts high. The implementation group needs to get into those discussions.

Nichols observed that on blasting it's a no-go or go call, but only for a time window. Requiring end-hauling is costly but can be beneficial. Blasting is a timing issue.

Vinsel asked if there was a previous discussion of water issues on MHHA site. Freeman said yes. The agencies knew there were streams, but they are not fish habitat streams. Hanley commented on the water issues in his comments on the DPO. Nichols added that the S&TC identified road-building as the big issue, and there wasn't road-building on the Mental Health Trust harvest proposal on Mitkof. Hanley said the agencies received letters from homeowners about water concerns on Mitkof. Even before that DEC assumed that there was downslope use of water and recommended mitigation measures to prevent impacts to water quality.

The Board of Forestry endorsed sending thank you notes to the S&TC members for their work on landslide issues.

Tongass Land Management Plan Implementation. Clarence Clark, DOF, introduced Dave Harris, the USFS Region 10 Timber Program director. He plans to attend BOF meetings regularly. There is a state-USFS partnership that includes full involvement. Clark recounted that his main objective is to help develop economic timber sales. DOF was invited to participate in August visits from USFS and Congressional dignitaries to Tongass, including the undersecretary of the US Department of Agriculture. Being invited is another indication of progress. In September, Clark spent a week on USFS boat looking at young growth with silviculturalists and wildlife biologists discussing forest management, economics, and habitat needs. The trip led to an ongoing work group. The timber industry also wants to be involved. We are making progress, although more slowly than expected – there are many roadblocks.

The USFS is required to produce a Five-year timber sale schedule (*see handout*). This year they put everything they do into one five-year integrated resource management plan -- timber, watershed, wildlife, young growth, and pre-commercial thinning. It's a vast amount of work. The Tongass Planning Team Priority Projects list (*see handout*) shows what is more feasible to accomplish. In 2010, based on the plan, 11 NEPA documents were projected. The staff members on the Tongass team believe four is a more realistic and affordable expectation, and even that may not be possible. Harris noted that the Big Thorne project is a contract that is already let. There is more work to do than there are bodies and dollars to do it, including both planning and layout. Maisch commented that items labeled "short list" are must-have work.

The Stanley Creek project is looking at an integrated management plan to be covered by one NEPA document to authorize work on a suite of projects within the area. The USFS submitted a Cooperative Forest Landscape Restoration Program proposal but couldn't compete for funds because fire isn't involved in Tongass management. That means even less money is available to accomplish the priority work. Harris reported that there's a tentative priority watershed and stabilization program at the national level, but it won't be available until spring at least.

Wolfe commented that when the ARRA grant program only listed opportunities for projects involving fire, including language addressing forest health in grant proposals proved helpful. Vinsel noted that there was a fire in Hoonah this year, and it was dry enough that there was information to recreationists on fire risk. Harris replied that small fires won't compete with places where there are big hazardous fires. Moselle added that the issue is that it's not a fire regime. Maisch wants to emphasize that restoration shouldn't be just fire – it also should include fish and wildlife habitat restoration and forest health.

Vinsel asked whether the visiting dignitaries understood that salmon is the primary economic resource in Tongass at present, and the work that's been done to protect that. Clark said yes, there was much discussion on the big difference in the quality of habitat in Southeast Alaska, and the difference in fish runs. The Tongass is a healthy forest. The USFS says 87% of salmon in Southeast come off USFS managed land. USFS management can't be that bad when there was a huge increase in salmon value this year. In young-growth stands there's more variability than often described. They agreed that pre-commercial thinning is needed on all young growth, not just restoration. For example, on Heceta Island the 500' beach buffer had no understory except in the thinned portions. In that portion, understory vegetation persisted into the projected "stem exclusion stage".

Cronin asked whether the USFS Collaborative Forest Landscape Restoration Program is related to the US Department of the Interior landscape program. Harris and Maisch were not sure; there are new programs.

Clark emphasized that the state was involved in the five-year integrated management plan from the start. The state identified needed projects, and all but one are included in the schedule. The state sent a letter from Maisch to Forrest Cole disagreeing with the five-year plan because Tongass is being managed in roaded land base only, and has reduced the areas available for management (*see handout*). The Wrangell timber sale dropped from 169 MMBF to 35 MMBF by excluding unroaded areas, and the Big Thorne sale dropped from about 200 MMBF to 85 MMBF. There's about a 50% reduction in volume on the schedule due to the limitation to roaded areas. Maisch said that the letter responds to the federal administration's continuing extension of the roadless policy. The state has a settlement agreement that the Roadless Rule doesn't apply in Alaska. The state is monitoring the situation, weighing the need for litigation, and trying to ensure that the full TLMP implementation level is kept as an option in planning. The issue is currently not ripe for litigation. The state wants to make sure state-USFS working relationships continue and are not derailed by litigation. The state is disappointed that moratorium on roadless activity was extended. Roadless Rule cases are in federal court in the Ninth and Tenth Circuits.

Clark said that the state is involved in scoping and draft EIS review stages. There's more opportunity for impact in the scoping stage.

Wolfe asked what impact the Roadless Rule has on TLMP overall. Clark said that the annual allowable cut in the roaded area is 50 MMBF out of a total 267 MMBF. Maisch added that the state is tracking the "seek to meet demand clause" under the Tongass Timber Reform Act – this could be another avenue for litigation if needed. Clark stated that the issue is at the Washington Office level, not the Regional or District level.

The Stanley Creek project map shows the effect of roadless areas. Some units are split between roadless and roaded area, which changes the economics of timber sales. "Roadless" definitions vary. Harris explained that the Tongass National Forest identified its defined roadless area in 2001 because of Alaska's exemption to the rule. If an area was a designated roadless area on the map in 2001 as roadless, that's what the Tongass uses today. In response to a question about whether there is any hope of developing a rational roadless policy for Tongass in this climate, Clark shook his head no. He added that there are areas that were roaded after 2001 in units on the original map based on the exemption, but those areas are now considered "roadless" and take additional timber off the table.

In summary, Clark said that the state is making progress. The USFS is bringing DOF and ADF&G in early in the process, and discussing issues regularly. The state and USFS are identifying opportunities for joint projects, e.g., a Heceta sale that includes both old and young growth, a Gravina Island project, and developing temporary log storage area and loading area systems. The state asked the USFS to let operators identify areas in selective helicopter units – this will reduce the upfront need for field personnel, reducing time and cost for sale development.

Moselle reported that the top two ADF&G priorities are wolf mortality in Game Management Unit 2 (Prince of Wales Island) and wildlife analyses in Petersburg area. There has been good progress – the Central Kupreanof and Tonka sales supplemented wildlife analyses with ADF&G habitat suitability models. ADF&G reviewed the supplemental analysis, and the model runs were reasonable. The Record of Decision and Final Environmental Impact Statement are expected later this month. Tonka EIS will be out next year.

Clark and Fogels reiterated the importance of the work on wolf mortality on Prince of Wales Island. The state and USFS will put together a working group in the next few months. A wolf mortality analysis for the Prince of Wales Island area will be out in January, 2011. It is spearheaded by Dave Persons in ADF&G and Brian Logan with the USFS. It's a positive first step. The state is systematically moving forward on a wolf habitat management plan. The USFS is not yet calling it the same thing. Wolf

management has been a significant issue in litigation on Prince of Wales sales. The sales have withstood several requests for injunction, and the coordinated state and federal approach is part of that success. Completing the wolf management plan is a high priority.

Wolfe asked what the state's goal is for wolf management. Moselle responded that it is a sustainable wildlife population at the game management unit level.

Cronin asked what model was used for Petersburg. Moselle said it was the deer habitat capability model developed in the early 1990s. It's the latest version of the deer model. Tom Hanley's "FRESH" model will be the next generation, but it's not available for use yet. Cronin commented that some old areas with low habitat suitability indices had good habitat. Moselle explained that the older version assigned a "0" habitat value to any non-federal land. That's been changed in the current version. The USFS and ADF&G took several different approaches in assessing habitat for Tonka. Cronin asked whether ADF&G biologists like using these models. He thinks that many scientists are getting less supportive of models in general as they become big black boxes. Moselle said that ADF&G biologists generally like the old deer model because they were familiar with it, but it can't answer all questions. All models have pros and cons. The "FRESH" model has some advantages, and ADF&G biologists see opportunities for even more improvement.

Harris stated that Clark and Moselle's work has been valuable. We wouldn't be in the same place on the Logjam sale without the state help. We need to keep moving forward, and look at all lands in Southeast to keep the industry moving forward. Wolfe asked about the staffing levels of Tongass and Region 10. Harris answered that Region 10 has about 750-770 employees, with 120 in the regional office. He will have to get back on Tongass numbers.

Tongass Futures Roundtable (TFR). Maisch said that the Roundtable met once since the last BOF meeting. There is no resolution on land issues. The next meeting is February. No active timber committee work is occurring in the interim. The mariculture committee is the most active at present. The Native Place committee is also active. The TFR passed two resolutions regarding the role of Native people in the Tongass. The Governor's Office wants the state to continue to participate in TFR. The Roundtable is going through discussions on its future. Some good things have occurred, but there is not a lot to show for the four years of work other than development of working relationships which facilitate other progress. TFR still has 35 members.

Nichols asked whether the USFS Washington Office still expects consensus from the TFR on Tongass management. Maisch said that the USFS still values it. Nichols asked whether the TFR is moving away from timber focus. Maisch said it is because the TFR has been unable to make progress in the timber area.

Cronin asked about the Roundtable's funding sources. Maisch said that The Nature Conservancy and the Forest Foundation originally convened the Roundtable, and other foundations (e.g., Betty Moore Foundation, Campion Foundation) have helped fund operations and travel. He doesn't know how much the foundations contributed. State and federal agencies are not contributing hard dollars other than staff participation. The TFR was originally modeled after the consensus-based FRPA process.

Moselle noted that the TFR has discussed land issues such as the landless Natives and Sealaska entitlement resolution proposal. There is still some discussion of the land issues. Maisch observed that the TFR energy level is low.

Sealaska entitlement legislation. Wolfe said that this is now the second congress they've worked with to get the bill passed. Neither Committees of jurisdiction in the Senate or House have held a markup hearing on their respective bills. Congress is discussing a public land bill, but there aren't enough votes yet. Hope to be included in an omnibus package, but it hasn't happened yet. Still working to be included in an omnibus bill. Likelihood diminishes as time passes. If not successful now, Sealaska will seek reintroduction in the next congress. Murkowski held spring community meetings, and is ready to introduce an amended bill that addresses issues raised in the hearings through the Senate Energy and Natural Resources Committee markup hearing process.

Wolfe observed that two priority projects on the five-year schedule are in the Sealaska land package.

Mental Health Trust exchange legislation. Slenkamp recounted that the Mental Health Trust continues to work on its holdings throughout the state. The Trust has two agreements with DOF – one funds a half-position to help with field work and sale admin in SSE; the other is for cooperative work with the Haines Area Office on the small sale program. The Trust is also entering a reimbursable service agreement with the Division to do inventory for 109,000 acres in the Fairbanks area near the TVSF. The Trust completed a Forest Stewardship Plan for its Tolstoi tract near Kasaan, and is starting another for its Icy Cape holdings for future silvicultural activities and a long-term plan. About 700 acres of Trust land at Kasaan are ready for pre-commercial thinning.

The Trust has about 1 million acres of land to provide revenue to support services for its beneficiaries. Trust land has been used for varying purposes over the years; it is not surprising that there are controversies as the Trust moves forwards on its plans. Trust land is split into 4700 parcels statewide. Slenkamp said the Trust is working closely with the Kasaan watershed Council and village of Kasaan to mitigate issues on an upcoming timber sale. Public use occurs on places like Coast Guard Beach, which is now proposed for subdivision, and on some forestry parcels. Converting land to a revenue base affects the local population. The Trust tries to mitigate issues and develop alternatives when possible.

The proposed Trust-USFS land exchange would trade 25,000 acres of Trust land near Southeast communities for USFS land more appropriate for timber harvest. The proposal is encountering similar political issues in D.C. as the Sealaska entitlement bill. The Trust is still pursuing all avenues for a solution. Greg Jones, the new executive director for the Trust is moving forward with the proposal and asking others for help. The Trust has contacted Ed Wood and the Mitkof Highway Homeowners Association and appreciates their support. The TLO also requests a BOF resolution of support for moving the exchange forward.

Nicolls asked whether the exchange proposal would be doable under existing exchange authorities. Slenkamp replied that there are options for administrative and legislative exchanges. Forrest Cole from USFS requested a legislative approach because it is the less cumbersome of the two approaches. Cronin asked for clarification – would the exchange trade parcels close to communities for others less close to facilitate timber sales? Does the Trust have a mandate for revenue generation? Slenkamp said yes. An exchange must be a value-for-value exchange of parcels. The Trust believes proximity to communities raises the value of Trust land relative to the USFS parcels. Cronin asked about alternatives to the exchange. Slenkamp said that its large timber tracts do not have a lot of value. Locations often don't have the population base to support subdivision. Timber is the best revenue option. The Trust will reluctantly move forward with timber harvest if the exchange does not exist. Cronin asked whether local opposition to harvesting is the impetus for trading. Slenkamp said yes – the homeowners' opposition is the main part, and their concern is not just for public safety. There's a lot of land between mile 3 and 7 where harvest is possible. Harvesting could also help support the local economy.

Vinsel asked how the Trust mission addresses short-term vs. long-term revenue. Slenkamp replied that the Trust is directed to maximize revenue over the long term. Vinsel asked how much money Trust land generates. Slenkamp reported that it generates about \$25-27 million annually. Some revenue comes from mining at Livengood and Fort Knox. The Trust has considerable mineral interest statewide.

Nichols asked whether the Trust had reconsidered the exchange. Slenkamp said they are moving forward with the exchange, and will amend it if needed. The proposal still addresses domestic manufacturing. The proposal has been vetted with communities and the USFS, and the Trust doesn't want to move too far away from that version, but is fine-tuning it. Nichols said that it is hard for him to support the proposal. It would have to be a viable long-term exchange. He is not convinced of its economic viability in return to the Trust.

Maisch said that the Board will need to discuss the proposal more, including Nichols' concerns. He also reported that the Trust met with the Governor's Office, and is interested in finding ways for the Division to cooperate more with the Trust. One of the interests is pre-commercial thinning. The University has less land than the Trust in Southeast, but does have 50,000 acres in the TVSF. DOF would like to retain that land in state ownership.

Slenkamp welcomed comments on the structure of the proposal, and would like to request Board support.

Effectiveness Monitoring report – Rogers reported that the Effectiveness Monitoring Working group held its annual meeting last week. Representative participated from ADF&G, DNR the, Department of Community, Commerce, and Economic Development, DEC, Sealaska, and others. The group reviewed priorities for monitoring FRPA effectiveness. Nudelman reported on the Road Condition Survey (*see handout*). The survey is wrapping up work from Southeast, getting a bigger picture of forest roads on non-federal lands: these roads total 3,230 miles. The project physically surveyed 829 miles for culvert condition over several years.

Effectiveness monitoring is not covered by state agency operating funds. The agencies and private partners have sought other funding including Section 319 funding through DEC, and Southeast Sustainable Salmon Fund (SSSF) grants. For FY12, the SSSF awarded a new grant to DOF do road condition survey work on the Kenai Peninsula in cooperation with ADF&G. The long-term Status and Trends of Fish Habitat project conducted by Doug Martin for Sealaska is a continuing effort. It did not receive ACWA funding last year. This year, at Jeff Graham's suggestion, Alaska successfully applied for a State and Private Forestry grant for this work. The grant requires a 1:1 non-federal match. Sealaska has been a major matching partner with both in-kind and hard dollars. Based on the proposal rankings, this project will receive over \$200,000 in State and Private Forestry funds. The project will cover 2011 summer sampling, a final report, and links to stewardship planning. The final report will also look at road condition data. Freeman noted that Sealaska also stepped in last year and funded 2010 sampling which prevented a gap in the data record. Wolfe agreed that it is important to have a continuous sampling record, and 2010 was scheduled for the full suite of samples. He said that the effectiveness monitoring annual meeting was instrumental in getting the project funded, and the United Fishermen of Alaska stepped up to be a cooperator along with the Alaska Forest Association. He credited Jeff Graham with the proposal idea. Rogers noted that DOF was also able to tie the proposal to statewide assessment issues on sustaining a viable forest industry and the need for an effective FRPA to make that happen. DOF also conducted in-house reviews of the draft to strengthen the proposal.

Cooperative forestry programs

Rogers reported that DOF received an S&PF grant to provide training in forest technician skills in Fort Yukon where a multi-million district heating project is going in, with little timber industry knowledge and

infrastructure. The project will involve Cooperative Extension and Tanana Chiefs Conference (TCC). DOF hopes it will help development of successful biomass projects in rural Alaska, and be usable in other areas. Nicolls asked how much employment will be associated with the Fort Yukon biomass project. Rogers replied that it will be small scale, somewhat like Tok. They will need layout, harvesting, and transportation, and those are all dollars that stay in the community. Putman said that TCC will work with community organizations to provide needed skills. Rogers noted that this project was top-ranked proposal among all the western states.

Community Forestry program overview. Patricia Joyner, DOF, explained that the Community Forestry program deals with the full suite of forest issues including harvest. The program helps communities manage forests the way they want, which varies by community. Alaska has many forest resources in communities. The program has two DOF staff, and a volunteer advisory council. Joyner provided an overview of community forestry issues and projects.

- The urban forest ecosystem includes trees along streets, in parks and greenbelts, and larger forest areas. Development makes it tough on trees. To get the benefits from trees, we need to manage them.
- Management starts with inventory. The Community Forestry program has provided training in Homer, Wasilla, Anchorage, and Ketchikan. All use GIS-based systems to store individual tree data using Tree Works software. Communities get information on tree location, species, size, condition, replacement value, site conditions, conflicts, maintenance needs, and conditions that could be corrected (e.g., planting procedures). They can look at composition by species and land types.
 - Anchorage urban trees are primarily birch, Colorado spruce, and Amur chokecherry; 4% of the trees are in excellent condition, and 38% are rated good. The proportion of good to excellent condition trees was much higher in Wasilla.
 - Homer has mostly Colorado spruce and mountain ash
- The program recommends that communities plant no more than 10% of one species, or 20% of one genus.
- Data helps communities plan to avoid problems, and identify what species do well. Developers, DOT, and municipalities make the same mistakes repeatedly. Training helps.
- The inventory also provides information on the value for community trees. Anchorage has inventoried trees worth \$3.8 million so far. Information on value can help communities advocate for tree maintenance funding.
- Anchorage has completed a Forestland Assessment and Management Plan. The municipality is the same size as Delaware with many public landowners as well as private. What happens in Anchorage also affects surrounding lands through invasive species introductions, wildfire, recreation issues, etc. Anchorage mapped canopy cover from Girdwood to Eagle River: 59% of the total area has tree canopy, which is relatively good. There is about 68% canopy cover in parks and greenbelts. The city has lost canopy cover to development over time and needs to plan long-term for what to retain.
- The inventory can also be used to calculate benefits. For example, it is cheaper to deal with stormwater through green infrastructure than gray infrastructure. Forest cover provides \$3200/ac in stormwater treatment benefits overall, with higher benefits for evergreen cover. Joyner hopes Anchorage can use this data to help the city and other public land managers manage the community forest resources. She noted that the inventory covers all lands, but the management plan is only for municipal land.

Joyner added that the program also provides training on urban forestry and arboriculture to various groups including airport facilities managers, the Alaska Vocational Technical Center, and the Alaska Botanical

Garden. The program also tries to help send people to conferences on urban forestry and support certified arborist training.

The program wants to increase local nursery production of ornamentals, especially Native species. Last year, workshops on this topic attracted 55-70 people. Local orchards are also increasing – one homeowner picked 500 lbs apples/day this year. The program tries to help growers exchange information. The Plant Material Center is also working on native plant production in Palmer. Stream restoration projects often use native species.

The program works in large and small communities. In Tok, they helped students pot and transplant seedlings in cleared areas. They worked with Talkeetna elementary and high school students on a wayside. The Susitna Forest Council bought and planted seedlings.

The Community Forestry Program helps support local citizens' groups. Juneau has a very active group that develops tree guides, leads tours, and offers education programs. Sitka's group is advisory to the city council. It prioritizes areas for planting and gets grants. Anchorage has a group that works on plantings and field trips. The Fairbanks Arbor Day Committee is the longest standing group, and has done multiple plantings.

Joyner introduced a new website on Landscape Plants for Alaska. It was developed with grant funding in partnership with the Division of Agriculture, the local chapter of the American Society of Landscape Architects, and two local landscape architecture firms. The website has searchable information on all ornamentals statewide that are known to have survived for a few years, including photos by seasons, fruits, flowers, etc.

2011 is the 20th anniversary of the Alaska Community Forestry program. Key accomplishments have been Anchorage's hiring of Alaska's first urban forester, certification of many arborists, and establishment of eight Tree Cities USA, three Tree Lines USA, and one Tree Campus USA. The program has work with many diverse groups, did green infrastructure grants with Fairbanks and Wasilla with pass-through federal funds from DEC, and supported the Anchorage tree inventory and planning.

Trees are the only infrastructure that increases in value as it ages, but they need care just as other infrastructure does.

Nicolls asked whether the program works with utilities. Joyner answered that the three Tree Line USA utilities have certified arborists, tree replacement programs, "plant the right tree in the right place" training, etc. They have not been able to get the Juneau utility on board yet. Tree Line USA utilities know it saves them money to do it right. McLarnon asked whether the utility efforts are just for urban areas, because her local utility just hacked down a 100' swath that extended 72 miles.

Cronin asked about the methodology for tree value calculations. Joyner explained that they use a program called ITree. Alaska has to use the figures for the interior west, but want to use local stormwater costs. Cronin asked whether insurance companies use these calculations. Joyner said that they can use them. Municipalities haven't had this information before, and can now include tree value in their insurance/FEMA (Federal Emergency Management Agency) claims.

Putman asked about the negative air quality value attributed to spruce – is it because of pollen. Joyner said that it is for terpenes, but noted that the negative air quality value is small compared to the high water quality value.

Lumber grading presentation. Dr. Allen Brackley, research scientist for the USDA Forest Service provided information on lumber grading in Alaska. The results of the study on Alaska grading aren't necessarily the policy of the USDA or USFS, simply the results of the study.

Brackley said that the rules for grading lumber in Alaska are adequate. The problem is that Alaska has small mills and the cost of grading are high. In 1966, Rep. Dingell passed a law that resulted in a court ruling that grade stamps are subject to the labeling act (*see handouts*). A Western Wood Products Association (WWPA) technical note and paper compare strength value ratings before and after a project to test strength for Alaska wood. The standards for lumber grading were developed in a period when Alaska didn't have mills producing lumber, so they weren't based on Alaska wood.

The average person in the U.S. now uses 90 board feet of wood per year – that's less than in the peak construction era. A truckload of spruce is about 26-27 MBF. Lumber is sold as a commodity, and the price is set by the market. There are about 10 MBF per 1000 sq. feet of living area in a house. Little of the lumber used in Alaska is produced in Alaska. Mills try to avoid making lumber – it's a commodity. Viking Lumber produces about 25 MMBF year compared to mills that produce 10 times that much. Harvest from Alaskan old growth is clear lumber that is much more valuable than general construction lumber. Northland Wood competes in the lumber business by selling directly and offering an integrated array for products. Southeast Alaska producers each have a specialty product that has nothing to do with general construction lumber.

There are two methods of grading lumber – strength or cuttings and clear lumber. Much of the Southeast export wood is valued for appearance, not strength. Strength depends on the size and position of the knots. Alaska has higher model of elasticity and breakage. Standards are designed to protect consumers. The American Standards Committee oversees standard development.

The Alaska in-grade testing program ran from 2000-2005. It produced new values that were published in 2005 as a WWPA note. The standards include tables for span standards. They have given architects the ability to use Alaskan wood, but there are limited amounts of Alaskan lumber produced to be used.

Four entities provide grading inspection services from Washington and Oregon that might operate in Alaska. Each of the graders has a list of member mills with numbers for tracking products.

Northland Wood Products operates seasonally and air dries its lumber. It meets about 20% of the Fairbanks lumber demand. They have a niche with a product that is higher quality with low technology that has a local advantage.

Lumber from Viking lumber in Klawock is graded after shipping to Washington. It is mostly used for shop-grade material. If they dried the wood to 8% moisture content in Southeast, it would reabsorb moisture en route to the Lower 48. Marketing a dry product is not the answer. Dry kilns won't solve marketing problems – wood dried to 8% moisture won't stay there. Grading services cost \$650/month for membership plus travel for graders from the Pacific Northwest. Total monthly costs for a WWPA member in Alaska in 2010 are over \$10,000/month. For a small mill producing 1 MMBF/year in Alaska the cost is \$11.74/MBF; at 10 MMBF it is \$5.88/MBF. The big mills can get grading for 18 cents/MBF. It's hard to be competitive with that cost structure in Alaska.

Options to reduce grading costs in Alaska include

- increasing the scale of operations,
- rebating grading costs on state procurement contracts,
- encouraging mills to produce specialty products, and

- creating a coordinated grading certification program in Alaska.

Grading rules aren't the issue; it is the cost of grading in Alaska.

Nichols noted that tight grain wood from Alaska has a higher strength rating, but you can only use that higher strength in certain applications. Brackley commented that if you want a bank loan for building a house, you need graded lumber. If you use graded Alaska spruce you can buy less lumber for purposes like joists.

Nicolls said that if material goes out of moisture specifications during export shipping, it would do the same coming into Alaska from Outside. Brackley explained that this only matters for materials like door and window framing that have to be dried to 8% moisture rather than 19%.

Nichols asked whether the industry is rethinking its policy given the grading presentation. When we demand primary manufacture by an industry that can't afford to produce it, it doesn't make sense. Maisch said that there's recognition now that you have to let logs travel to the place where they will have the highest and best use. The approach seems to be working well now.

Cronin asked whether the concern is that young growth is only good for dimension lumber which isn't competitive. Brackley responded that you aren't going to produce the products that are currently sustaining the industry from young growth. You can produce dimension lumber and heavy timbers, but the market won't pay the same price for those products as it does for clear old growth wood. Maisch stated that the goal is keeping the industry alive so that it can respond to evolving markets. Nicolls noted that environmentally sound mills are working positively in the Lower 48. There are four new mills in Wisconsin using low-value wood. A large-scale operation won't fly in Alaska. Wolfe said that the challenges are a mix of the political and social environment and economics. He said that the environmental community views new biomass development the same way they would view a pulp mill. Maisch suggested that biomass opportunities may have a bigger impact in small communities. Nichols observed that Alaska has a total population of 650,000. Shandong Province in China has 90,000,000 people. That says a lot when you consider the use/person: Alaska is a very small market.

National retooling bill. Maisch said that a retooling bill was introduced two years ago by Murkowski, but it never moved forward with hearings. The goal was to help operators invest in equipment to make them more competitive as we move into a young growth industry. It was largely of interest to Steve Seley, who is now shutting down his mill, and to Jackie Durette for road-building.

Purview of Board. Maisch stated that the Board is most useful when focused on state issues for which we have authority. The Board can act strategically on federal issues, and help keep the administration informed, rather than directly affecting federal policy.

Nichols said that people don't have the time to commit to federal land issues. What happens on the federal side impacts the state small towns and forestry sector. The opportunity for the Board is only at a very high policy level. Bosworth agreed. It's hard to be "a little bit involved." Cronin said he still thinks that the things we've dealt with can help show successes and models for active management, especially since there is State Forest land in Southeast.

Maisch said that he feels good about the ways the Division manages land to help communities move forward. It's not as difficult for the state as for our federal partners – he can't guarantee that the state would be more successful than the USFS if we had to operate under the federal rules.

Nichols asked how helpful it is when we take time on federal issues, e.g., with the letter to the USDA. Maisch replied that it is useful to hear Board opinions, e.g., on the connections between our goals on state and private land and those on the national forest. The Board report recently sent should receive attention because of the various interests represented.

Vinsel said it was a good opportunity having Sen. Coghill on the Tok field trip. He is worried about the loss of rural representation in legislative redistricting. It would be good to include legislators when we do field trips. Nicolls commented that he also thinks it is useful for legislators to hear Board discussions at regular meetings, and seeing how the Board operates constructively. Maisch noted that legislative reactions are usually positive when they join Board efforts or hear reports on things like the Tok project. He would like more such opportunities.

McLarnon said that the Board doesn't have the time to jump into the federal issues, but she does like having them on the agenda and staying informed.

Maisch said that there may be opportunities for Board involvement with the state budget, such as support for continuing the Alaska Energy Authority renewable energy program. There may also be opportunities with invasive species issues. The new DNR Commissioner is talking about initiatives for DNR. Nicolls suggested that the Board might be able to get farther into urban forestry issues. Maisch noted that fire management policy, e.g., the structure protection policy, may need Board input. There are fire program concerns because of increases in fire due to climate change, and the number and type of vacancies on the Fire Program staff. We need to rethink fire management in Alaska holistically -- Community Wildfire Protection Plans, fire hazard mitigation, forest management all interact.

Wolfe suggested that with Commissioner Sullivan we may have more opportunity to entertain initiatives from DOF. At the next meeting we could discuss opportunities to help forestry in Alaska. Regarding the Board's purview, Wolfe echoed Nichols' comments -- any input needs to stay at the highest level, including keeping track of wildlife issues. There's a dynamic in the room we need to be cognizant of. We are heading into tough budget times because Section 319 money is gone. If the state is going to cut the FRPA budget but keep state employees working on Tongass when Tongass has a thousand employees, I would have trouble with that. It is important to keep the purpose of Board in mind.

Bosworth asked whether DOF has ever put together a forest industry trade show with a presentation on what DOF does, and how it varies by where you are in the state. It could maybe be combined with a lecture series. Idaho and Montana hold hunting and fishing days. Maisch said that DOF does some of that but on a more regional scale at the State Fair or 4th of July celebrations. The Division works with the Office of International Trade to showcase Alaska products. The Fairbanks airport had an annual display of Alaskan wood products. Bosworth suggested Ketchikan for a trade show, but didn't recommend doing it on Prince of Wales Island. Maisch noted that DOF wants to do an equipment demonstration in Fairbanks for harvesting small diameter material.

Plentovich mentioned that there is a wood energy conference with a trade show in Fairbanks in late April. There might be opportunities to expand to more forestry activities. Maisch added that the Alaska Forest Association does some equipment demonstrations, but they are a shell of their former selves. It is hard to justify the costs as the industry dwindles and the number of industry partners to support the Association gets smaller. Maisch said that the Society of American Foresters used to host a legislative breakfast and provide information on forestry and the forest industry.

Vinsel noted that the Legislature mandated an increase in fishing licenses, which was achieved by selling non-resident licenses which simply exports fish. He said that Brackley's talk was interesting on the viability of wood exports. High quality products that can carry the Alaska mark and cachet have

potential. He is encouraged by Sealaska's efforts. Boats, toys, Native art, furniture, hot tubs, frames are possible high-end products. At a trade show, people just need to be reminded of what can be done. You can't save the industry but can provide high level of product. Some years ago, only 1% of Alaskan fish was being directly marketed, but it accounted for 10% of the ex-vessel value. Now most Alaska salmon is sold with the sense that it is special. The same is true for Alaska wood.

Board comments

- Nichols thanked Mr. Brackley for a brutally honest presentation from a public employee. More people on the policy side need to understand what he was saying.
- Vinsel also enjoyed Mr. Brackley's presentation on the reality of the business, not just making more wood available. He also appreciated the opportunity to meet the new DNR Commissioner, and hear his thoughtful questions and comments.
- Bosworth said he feels good about the result on the public safety issue that was raised and the BMP recommendations. The Board fulfilled our obligation and it was well done from start to finish.
- Cronin is grateful to agency staff for their Board support – e.g., Clark, Moselle, Eliot, and Freeman – and for their knowledge of issues. They're a resource that can help on high-level policy issues. The staff members have forestry skills and have learned perspective in a mutual way just as the Board has. Maisch appreciated the comments and said he is pleased that DOF is known for finding solutions.
- Nicolls encouraged the Board to carefully read the state letters to the USDA, especially the one from Maisch to Forrest Cole – it's an outstanding product. It's a credit to Maisch. Maisch said that thanks also go to Clark and Moselle.
- Wolfe looks forward to continuing the Board's work. He wished the outlook for the industry was brighter. The Board work continues to be important.
- Foley – no comments
- McLarnon appreciates the staff, including Plentovich, and the Board members who have to travel to get here.

Next meeting location, date, and agenda. Juneau, March 30-31.

Adjourn Day 2: 2:12 p.m.

Spring meeting agenda items

- 2011 agency budgets
- 2011 legislation, including SESF
- Climate change and carbon credit update – if there's news
- Forest planning update, include Mat-Su planning and state forest process, and Mat-Su inventory if done
- DOF region updates, including the status of the local industry, including status of PCT
- FRPA Landslides implementation group update
- Discussion of possible Board position on Mental Health Trust land exchange legislation
- Tongass Land Management Plan implementation and Tongass Futures Roundtable updates
- Wood energy updates, including biomass boiler standards and effect on rural energy grants
- NPDES permitting and forest roads update
- Invasive forest insects in Alaska; status of reintroduction of HB 12 (check with Vinsel)
- Road condition survey report
- 2010 compliance monitoring update
- Agency reports to the Board

- Effectiveness monitoring – Doug Martin
- CZMA update – Randy Bates
- Rainforest Research Center – Mike Goldstein; check with Kyle Moselle
- Opportunities to help forestry in Alaska within new Administration; purview part 2
- Fire policy
- Certificate of legal harvesting
- Invite Regional Forester
- Wolfe suggested that with Commissioner Sullivan we may have more opportunity to entertain initiatives from DOF. At the next meeting we could discuss opportunities to help forestry in Alaska.
- Tour possibilities: Sealaska facility, urban forestry examples

Wolfe reported that the Society of American Foresters is contemplating a meeting in Craig and a joint meeting with The Wildlife Society on understory management.

Handouts

- Draft Agenda
- Public notice
- Draft minutes of August 2010 Board of Forestry meeting
- FY11 FRPA spread (chart)
- Forest Management and best practices
- Southeast State Forest
 - Briefing paper: Additional lands to Southeast State Forest
 - Proposed Southeast State Forest Additions map
 - Parcel maps of proposed Southeast State Forest Additions
- DNR Forestry Road Condition Survey
- Landslide Science & Technical Committee
 - Meeting #1 minutes – September 2, 2010
 - Meeting #2 minutes – November 1, 2010
 - Meeting #3 minutes – November 23, 2010
 - Draft Meeting #4 minutes – December 8, 2010
 - Consensus points
 - Recommendations relating to regulations
 - FRPA Landslide bibliography – November 2010
- International Forest Industries excerpts
- Fast pyrolysis update: Second generation prototype closer to commercial scale. The Forestry Source, Aug. 2010
- Thousand cankers disease found in Tennessee. The Forestry Sources, Sept. 2010
- Contract brings jobs, energy, and healthier forests. The Forestry Source, Dec., 2010.
- British Columbia carbon tax. B.C. Ministry of Small Business and Revenue
- Article: Alaskan community to benefit for years from local wood energy project
- PowerPoint: NEDC v. Brown – Overview and Ramifications
- State comments on Tongass five-year timber schedule
- Governor's letters to USDA re TLMP implementation
- Tongass National Forest Five-Year Vegetation Management Plan
- FY2011 Planning team priority projects
- Design values and spans for Alaskan Species Lumber. WWPA Tech Notes 2005-1.
- Comparison of strength values and possible grade stamps for Alaska species before and after the Alaska in-grade testing project completed summer 2005. Allen Brackley. Dec. 14, 2010
- Amended ethics regulations

Attendance

William Ashton, DEC
Allen Brackley, speaker
Clarence Clark, DOF
Ross Coen, UAF
Mark Eliot, DOF, speaker
Deputy Commissioner Ed Fogels, DNR
Chris Foley, DEC
Marty Freeman, DOF, speaker
Cindy Gilder, DEC
Kevin Hanley, DEC
Doug Hanson, DOF
Dave Harris, USFS
Kerry Howard, ADF&G, speaker, (by teleconference)
Patricia Joyner, DOF, speaker
Kyle Moselle, ADF&G
Pat Palkovic, DOF (by teleconference)
Devany Plentovich, AEA, speaker
Will Putman, Tanana Chiefs Conference
KT Pyne, DOF (by teleconference)
Rick Rogers, DOF, speaker
Kevin Saxby, AK Attorney General's Office, speaker
Jim Schwarber, DOF, speaker (by teleconference)
Paul Slenkamp, AMHT, speaker
Greg Staunton, DOF (by teleconference)
Commissioner Dan Sullivan, DNR
Suzanne West, Mitkof Highway Homeowners Assn. (by teleconference)
Ed Wood, Mitkof Highway Homeowners Assn. (by teleconference)